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Carter Proposal On Taxes Rejects Broad Reduction

By Edward Cowan

WASHINGTON, Aug. 26 (NYT) — The long-term economic "revitalization" program that President Carter is scheduled to announce Thursday will include proposals to give individuals and employers an income tax credit for part of their Social Security taxes and to grant special tax breaks to companies in high unemployment areas, according to administration officials.

The proposed tax relief for individuals and employers would grant a tax credit for a fraction — probably 10 percent — of Social Security tax payments. One effect would be to more than offset an increase in Social Security payroll taxes that are scheduled to rise next Jan. 1 to 6.65 percent from the present 6.13 percent.

Mr. Carter is expected to portray this type of tax relief as less inflationary than the across-the-board rate cuts recommended by the Republicans and by all 12 Democrats on the Senate Finance Committee.

The proposal originated with Rep. Richard Gephardt, D-Mo., and has been sponsored in the Senate by Sen. Bill Bradley, D-N.J.

Eligibility

To be eligible for a special tax break in the form of extra-tax writeoffs on new investment, a company in a high unemployment area would have to qualify for a "certificate of necessity" under criteria still to be formulated. Such certificates for accelerated depreciation were used during World War II and the Korean War.

The extra-fast depreciation (depreciation) on taxable income for the cost of machines, vehicles and buildings would be over and above the more rapid writeoffs the president is expected to propose for all parts of the country as part of a long-term drive for more investment and improved productivity.

The administration began brief-

ing key members of Congress yesterday, although some details of the economic program remain unsettled. One such detail was whether Mr. Carter would embrace a controversial proposal to give cash rebates on the 10-percent investment tax credits built up by money-losing companies that owe no taxes and thus cannot use the tax credits.

Officials said the Carter "revitalization" package would amount largely to an economic agenda for a second term, if the president is re-elected. They said that the package would consist largely of an outline of legislative proposals to be submitted in January, with little that could be construed as a short-term palliative for the present recession.

Administration officials said Mr. Carter would avoid recommending new federal programs or creating new agencies in favor of "targeting" — a word now much in vogue — existing programs to communities and regions in need of industrial revival.

In practical terms, the White House is thinking about the steel, automobile and rubber industries — all hurt by foreign competition and all important employers in the Midwestern and Northeastern states that Mr. Carter must carry to be re-elected.

Officials said that the president would outline roughly \$25 billion of 1981 tax relief, including the credit against Social Security taxes, and make very limited proposals for additional spending.

The Labor Department was reported to be in line for more money for an experimental approach to retraining of workers from declining industries and the Commerce Department would get more money — if Congress concurs — for direct loans and grants in depressed areas.

In all, the proposed additional spending in fiscal year 1981, which



Striking French fisherman strung up the effigy of a hanging man on a boat off the port of Le Havre yesterday morning to dramatize what they consider to be the decline of the industry.

French Navy Breaks Channel Port Strike

From Agency Dispatches

LE HAVRE, France, Aug. 26 — Navy vessels today broke the blockade of an English Channel oil terminal near Le Havre, using water cannons and distress rockets against fishing trawlers.

About 20 trawlers, which played hide-and-seek throughout the day with a squadron of French Navy tugboats twice their size, limped back to their home port of Port-en-Bessin with shattered windows and damaged deck equipment.

A communiqué issued by the fishermen in the Normandy port said they were giving up their attempts because of superior strength by the navy and the danger to life and limb on the trawlers.

A television film of the day's encounters, taken from a helicopter hovering overhead, showed some of the trawlers listing dangerously to the side as the tugs directed up to six powerful water cannons from each vessel onto their smaller targets.

Eleven navy craft, led by a corvette and a patrol boat, and including minesweepers and the tugs, were sent to break the blockade at the Antifer oil terminal and recover navigation buoys removed by the fishermen.

Authorities had moved about 150 gendarmes in life jackets to a landing area, a possible prelude to boarding the trawlers.

In Paris, Transportation Minister Joël Le Theule announced a number of measures aimed at aiding fishermen who own their boats, but none was considered likely to satisfy the strikers. They included increases in certain fish prices, making loans available for more fishermen and tighter enforcement of rules involving imported fish.

The action at the Antifer terminal was the second time in the 14-day-old fishermen's strike that the government had sent navy craft to break barricades at oil receiving centers.

Fishermen brought in trawler reinforcements to block the channel of Le Havre after six ships — three car ferries and three small cargo vessels — slipped out of the harbor before dawn in a convoy.

The fishermen also established a new boat barricade at the Mediterranean oil port of Fos-sur-Mer and closed several other English Channel ports after negotiations failed to make progress.

Fos-sur-Mer is the country's biggest port for oil imports and Antifer is the second largest, but no tankers were at the piers in either.

Railroad officials, in apparent anticipation of further disruption of ferry service from Channel ports to Britain, announced they were starting a special train service to the Belgian port of Ostend.

Talks Break Up

Two negotiating sessions yesterday, one with fishing companies that want to reduce crew sizes on big trawlers and the other with owner-operated boats angry over high fuel costs, broke up without making progress.

No discussions between rival sides were scheduled today. Political sources said movement toward settling the strike, which is costing France millions of dollars a day, is unlikely to be made before a ministerial council meeting scheduled for tomorrow.

The fishermen are demanding increased subsidies for trawler fuel, but the government so far has refused to consider this.

A meeting between government merchant marine officials and Normandy fishermen ended with no "concrete results and no further talks arranged," a source said.

Another negotiating session between trawler-owners and unions broke down when representatives of the Communist-led CGT union walked out. CGT official Dominique Dubrille said the union refused to talk until it received guarantees that naval units and riot police would not act against the fishermen.

Polish Negotiators Concede Rights of Workers to Strike

From Agency Dispatches

GDANSK, Poland, Aug. 26 — Polish government negotiators at the Lenin Shipyard today recognized the workers' right to strike — one of the demands — and strike leaders said tonight that the negotiators have agreed to discuss demands for reforms leading to independent trade unions.

The team of government officials led by First Deputy Premier Mieczyslaw Jagielski arrived at the Lenin Shipyard today for the meeting with leaders of the joint strike committee representing more than 200,000 workers along the Baltic.

Meanwhile, new strikes were reported in all corners of the country — Wroclaw, Rzeszow, Olszyn and Koszalin. Municipal transport workers also were out in Lodz, Poland's second largest city.

Poland's Roman Catholic primate as well as a leading political commentator tonight warned Poles not to go too far in their demands for greater freedom from Communist rule.

Talking to the strikers in Gdansk, meanwhile, Mr. Jagielski said, "It is necessary to pass a new bill on the operations of trade unions. It would say that work stoppages can take place if other forms of reaching an agreement between management and workers are a failure." He apparently was referring to a law governing operations of the official labor unions, not trade unions completely free of government control that the workers have demanded.

Union Issue

Individual strikers hailed Mr. Jagielski's comment about the right to strike, but members of the strike committee who spoke later in the negotiating session said the issue they wanted to concentrate on was their demand for the right to form trade unions free of official control.

In the sympathy strikes in Wroclaw, a dozen enterprises, an electric power station and long-distance buses were affected. Taxi drivers said they would walk out after helping people get home. Wroclaw radio, monitored by the BBC, called on the strikers there to resume work, saying solidarity was needed in producing new goods, not in stopping work.

Ryszard Wojna, a major media commentator, said on television that strikers who have brought industry in the north to a standstill might end up empty handed and with something they had not bargained for. He concluded that the situation is moving in a dangerous direction.

"If this movement is not stopped then it could lead to a catastrophe of incalculable proportions, comparable only to what happened to our country in the 18th century," he said. At that time Poland was partitioned among Russia, Austria and Prussia.

National television also broadcast a 45-minute sermon by Cardinal Stefan Wyszyński, who was once under house arrest during the Stalin era, in which he called for peace and calm and reminded Poles of bitter experiences in the past when their country was wiped off the map.

The decision to broadcast Cardinal Wyszyński's sermon before thousands of pilgrims in the southern city of Czestochowa was unprecedented in 36 years of Communist rule and underscored the gravity of the situation.

Before the broadcast of Cardinal Wyszyński's sermon, Mr. Wojna re-

minded Poles that their nation lay in the Soviet Union's security zone, and any challenge to the rule of the Communist Party could have incalculable consequences.

He said there were some things in the Communist system which cannot be challenged. He described demands by strikers for the dismant-

ling of the official trade union structure as "negative." This question has become the stumbling block in negotiations between the government and the Gdansk strikers.

Cardinal Wyszyński, who has struggled for decades for greater ac-

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Polish First Deputy Premier Mieczyslaw Jagielski gestures as he reopens negotiations in Gdansk.

Gierek Grip May Be Temporary Unless He Resuscitates Economy

By John Damron

WARSAW, Aug. 26 (NYT) — By dismissing the premier and almost half of the party's ruling Politburo, Edward Gierek, the Communist leader, has won some breathing space in his effort to ride out Poland's economic and political crisis.

But many well-informed Polish sources, including some inside the government, believe that his new grip on the situation may well be temporary and that he may not survive as head of the party.

Much depends upon what happens in the next few days: whether

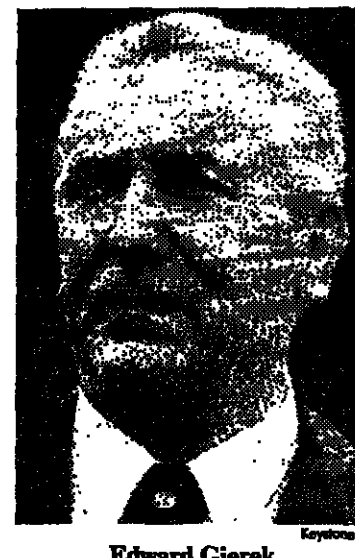
my. No one here believes such a resuscitation can be accomplished in less than three years, and not without requiring further sacrifices from a public that feels its belt cannot be tightened a single notch more.

The weakness of Mr. Gierek's hold on power was revealed by the Communist Party purge Sunday. He had proposed to the Politburo that it convene a simple two-hour session of the 140-member Central Committee for informational purposes only.

Full-Fledged Debate

Instead, largely at the insistence of the powerful defense minister, Wojciech Jaruzelski, the plenary session turned into a full-fledged debate aimed at isolating and expurgating those persons responsible for Poland's economic ills.

To preserve his own position, reliable Polish sources said, Mr. Gierek had to accept a certain amount of blame and, even more significantly, accept changes in the Politburo that could not have been pleasing to him. He watched as his closest associates were dismissed — including Edward Babuch, the pre-



Edward Gierek

mier — and two former opponents whom he had driven from power were restored to Politburo membership.

One was Stefan Olszowski, 48, the former foreign minister, who is bright, articulate and ambitious. Two years ago Mr. Olszowski wrote a widely disseminated paper on the necessity of economic reform and launched a behind-the-scenes challenge for the party leadership.

Mr. Gierek exacted revenge during the party congress last February when Mr. Olszowski was dropped from the Politburo and named ambassador to East Germany.

The second figure recalled from political oblivion was Tadeusz Grabski, who resumed his position on the Central Committee and was promoted to the deputy premier's ship. A local party secretary in the province of Konin last year, Mr. Grabski was touted out of office after disseminating a diatribe against government policies.

Public Humiliation

In wording that seemed to render his humiliation public, Mr. Gierek announced the reinstatements by saying, "We called to the responsible posts also those comrades who had perceived earlier the growing irregularities and tried to counteract them and whose voice we had not heeded in time."

If Mr. Olszowski was a potential challenger before, he is doubly so now, in the opinion of Western diplomats. "Until yesterday," said one European embassy official, "Gierek's huge strength was that no one was waiting in the wings. Now, all that has changed. Olszowski is Western-oriented in his liberal economic reforms but he is a hard-liner politically and acceptable to the Soviet Union."

Analysts of Sunday's shakeup note that there were dismissals to satisfy numerous constituents. Intellectuals who bridled under restrictive news coverage took solace

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Republican presidential nominee Ronald Reagan defended his China policy at a press conference Monday. At left is his running mate, George Bush, who returned from a China visit Sunday.

Reagan Draws Peking Criticism Despite Altered Stand on Taiwan

From Agency Dispatches

PEKING, Aug. 26 — U.S. Ambassador Leonard Woodcock was summoned to the Chinese Foreign Ministry today, reportedly to receive a formal protest about Ronald Reagan's statements on U.S. relations with Taiwan. Mr. Woodcock earlier today publicly attacked Mr. Reagan, saying that the Republican presidential nominee's China policy could destroy U.S.-Chinese relations.

Mr. Reagan said yesterday in Los Angeles that, if elected, he would abide by the Taiwan Relations Act, which prohibits setting up an official U.S. government office in Taiwan. He thus effectively abandoned his proposal to convert the U.S. liaison office on Taiwan into an official office and acknowledged that he had made misstatements with regard to U.S. policy toward Taiwan. It appears, however, that the Chinese still regard his position as potentially damaging to relations between the two countries.

American sources said Mr. Woodcock had met Zhang Wenbin, the vice foreign minister in charge of North American affairs.

Mr. Woodcock's statements were at least in a growing controversy. Peking on the issue, which has been clouded by confusion and contradiction and which has blossomed to Mr. Reagan's most serious foreign policy dilemma.

Mr. Woodcock said Mr. Reagan's policy could lead to the closure of the U.S. Embassy in Peking, the rupture of what have been improving relations and a deterioration of the U.S. position worldwide.

He said the triangular relationship between China, Taiwan and the United States was delicate but added, "We should preserve both the fact and the appearance of the unofficality of our relations with Taiwan."

This balancing act was working very well, Mr. Woodcock said, with tensions "at their lowest levels in 30 years."

"To endanger a carefully crafted relationship [between China and the United States] is to run the risk of

gravely weakening the United States' international position" at a particularly sensitive time in global affairs, he said.

Mr. Woodcock said he called the news conference on his own initiative because his "continued silence might be misunderstood."

Mr. Woodcock's comments follow bitter attacks in the Chinese press over statements by Mr. Reagan that he favored some form of official relations with Taiwan.

Mr. Reagan and George Bush, his running mate, held a news conference yesterday in an effort to calm the diplomatic and political furor that had developed during Mr. Bush's trip last week to Peking. At the news briefing, Mr. Reagan delivered what advisers called his definitive policy statement on Taiwan and China.

The nine-page statement conformed more closely to what Mr. Bush reportedly told the Chinese — that the Taiwan Relations Act — than to what Mr. Reagan had been saying on the campaign trail.

In the statement, Mr. Reagan said he would accept the continuation of the unofficial relations with Taiwan as carried out by the American Institute, a private foundation funded by the U.S. government.

The reason, he said, was that the present liaison office, although

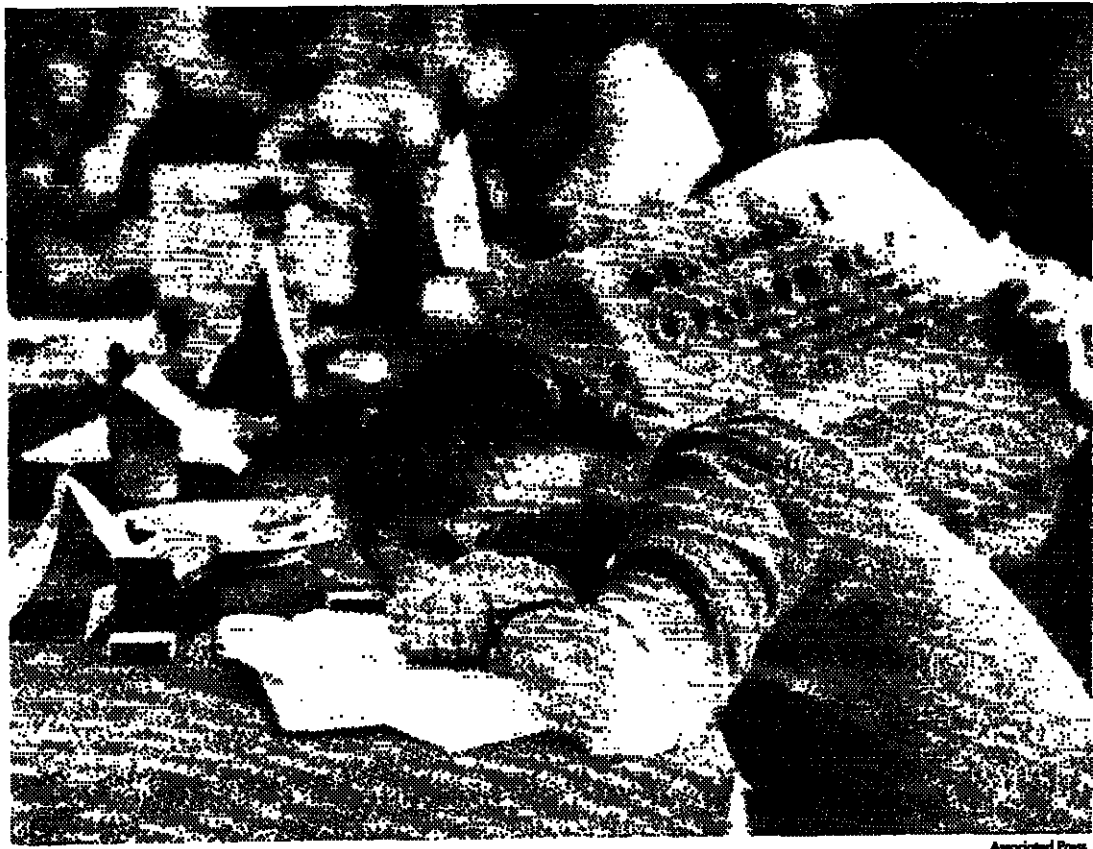
INSIDE

U.S. Egypt Base

The United States plans to spend up to \$400,000 million to transform an Egyptian air base into a launching pad for the U.S. rapid-deployment force. Page 5.

Gower Champion

Just as his newest show was opening on Broadway, leading U.S. dance choreographer Gower Champion died of cancer in New York City. Page 3.



Fatigue overcomes a Polish strike committee negotiator as he awaits developments in Gdansk.

Poland Grants Workers Right to Strike

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cess to the official media, said the nation must realize that it needs peace and calm.

The Soviet Union, in its first comment, described the Polish events as completely internal affairs. A Foreign Ministry spokesman said that Soviet-Polish relations were and are characterized by mutual cooperation in all spheres.

Strikers at Mass

While Mr. Wojna spoke, the strikers at Gdansk were attending a Roman Catholic Mass in the shipyard to pray for the success of negotiations.

Negotiations between the joint strike committee in Gdansk and the team of government officials resumed for the first time since Sunday's Communist Party upheaval in Warsaw, which resulted in the ouster of Premier Edward Babuch and three other Politburo members. Jozef Piskorski was named the new premier in the purge presided over by party leader Edward Gierek, in which seven other leaders — including hard-line ideologist Jerzy Lukaszewicz — lost their jobs in the biggest shake-up in a decade. Mr. Gierek then went on to concessions that were considered unthinkable in the Eastern bloc. These included:

- Trade union elections by secret ballot, with the nominations open to all and not just to party members.
- Curtailment of the ambitious investment program that has been one of the causes of Poland's economic difficulty.
- Nonparty representatives at the trade union congress and among the national leadership, if they are elected by the workers.
- Restoration of the telephone service between Gdansk and the remainder of Poland.
- Including the new strikes report.

ed today, an estimated 250,000 workers across Poland were away from their jobs. The walkouts in Gdansk, focus of the entire nation's labor turmoil, were in their 13th day.

At the start of today's strike negotiations in Gdansk, strike leaders rejected as insufficient Mr. Gierek's offer of open trade union elections and said they want a totally independent union system. Workers later cheered strike leader Lech Walesa when he announced that Mr. Gierek had agreed that a group of experts from both sides should discuss their demands for independent trade unions.

Strike Teams Meet

Mr. Jagielski and his team of government negotiators met with Mr. Walesa and 18 other members of the strikers' presidium for an hour today, then the talks were recessed.

Gierek Grip Could Slip

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in the dismissal of Jerzy Lukaszewicz as propaganda minister and Maciej Szczepanski as head of radio and television.

Reform-minded economists greeted the departure of Tadeusz Wrzasniewski as head of the powerful Planning Commission. Workers were glad to see the departure of Tadeusz Pyta, a deputy premier, and Jan Sztybel, head of the Central Trade Union Council.

Second Choice

The elevation of Jozef Piskorski to the premiership was not deemed especially significant. He was a second choice, after Mieczyslaw Jagielski, a deputy premier who is not in good health.

In the division of responsibilities, which has not yet been made public, it was learned that one of the most powerful figures is now Stanislaw Kania. He has under him the army, the ministries of Interior, Justice and Health and the party organization.

In general outline, the new Politburo is more prone to adopt economic reforms, which seem indispensable if the country is to climb out of the morass it is now in. Ironically, it was Mr. Babuch's attempted reform of food-price subsidies that triggered the past eight weeks of labor strife.

To end that strife seems as great a task as solving the underlying economic disarray that produced it, and in tackling the job Mr. Gierek is now in a much weaker posture than 12 days ago, when the Gdansk strike began.

briefly. The session resumed early in the afternoon.

In an account today of Mr. Gierek's speech on Sunday, Pravda excluded all reference to independent and open trade union elections. Reproducing a Tass report of the speech, Pravda merely said: "The forthcoming Polish trade union congress should decide about the role of trade unions."

East European Press

The East European press in general reported the shakeup in the Polish government last weekend, but continued to tell readers little or nothing about the shipyard strikes and other labor unrest which precipitated the change. The demands of the workers at Lenin Shipyard have not been reported at all.

In Czechoslovakia, there were equally restrained reports on the weekend changes and their consequences. One Czech newspaper reported that "in a number of demands put forward by the work teams, the question of trade unions holds an important place."

Even the official press of Romania, which prides itself on a degree of independence from Moscow, did not report Mr. Gierek's offer of open and independent trade union elections. Today's newspapers reported instead Mr. Gierek's warning that his government could not agree to any demands which struck at Poland's existence as a Communist society.

East Bloc Maneuvers

BUDAPEST, Aug. 26 (AP) — Hungarian troops left today for Warsaw Pact maneuvers to be held in East Germany in the first half of September, the official news agency said. About 40,000 troops from the Soviet Union, East Germany, Poland, Bulgaria, Hungary and Czechoslovakia are to take part in the exercises, called "Brothers in Arms '80."

Maneuvers are to take place near the Polish border and on the Baltic, but they were scheduled and announced long before the current strikes in Poland.

Bolivia Will Expel French Newsmen

LA PAZ, Aug. 26 (UPI) — A French correspondent was arrested yesterday in a raid by Bolivian soldiers on the office of Agence France-Presse and will be expelled from the country, "false information," officials said today.

The newsmen, Albert Brun, was held in connection with a story concerning last week's detention of Jorge Siles Salinas, a brother of opposition leader Hernan Siles Zuzun. Mr. Brun reportedly said in a news dispatch that Mr. Siles Salinas had been beaten.

Role in East Europe Could Be Affected

ILO Has Stake in Polish Labor Outcome

By Iain Guest

GENEVA, Aug. 26 (IHT) — The Polish crisis is being closely watched at the International Labor Organization to see whether the strikers will limit their demands to greater representation within the Communist system, or use their bargaining power to set up trade unions outside the umbrella of the Communist Party.

The latter would be seen as a fundamental departure from the principles of Communism and thus some observers feel that it could invite Soviet intervention — but it could also have a crucial bearing on efforts by the ILO to improve labor rights in Eastern Europe.

The ILO is the United Nations' specialized agency setting labor standards, and there is speculation that it could be invited to mediate in the Polish crisis after the ILO director general, Francis Blanchard, offered his good offices last week. Yesterday, the Geneva-based International Metalworkers Federation with affiliates in 70 countries — none of them East European —

called on the ILO to supervise union elections in Poland. Herman Reihman, general secretary of the IMF, described the concession on Sunday by the Polish government — the promise of trade union elections by secret ballot — as "the single biggest victory for the working class under any Communist regime anywhere, any time."

Forum for Debate

In addition to its role as a possible intermediary, the ILO is also of interest as the forum for a prolonged and often bitter debate over trade union rights in Eastern Europe. This has been Poland accused by Western unions of suppressing the Self-Defense Committee (KOR), whose leaders have been rounded up in the present unrest. Like the Soviet Union, the Polish government has been accused of violating the ILO convention allowing for freedom to form and join trade unions, which it ratified in 1957.

In a related charge, Czechoslovakia has been accused of discriminating against the signatories of the Charter 77 human rights manifesto. While these charges have attracted considerable publicity, an ILO standing body of legal experts has, for several years, been quietly urging Poland to amend its labor code of 1974, which forbids the formation of trade unions outside the party-controlled "Central Council of Trade Unions."

This dialogue could be drastically affected by the crisis in Poland. In particular, observers here are waiting to see whether the offer by the government of free union elections simply implies greater representation for the strikers within the council. If so, then ILO officials predict no let up from Western criticism.

If, however, the crisis leads to demands from the strikers for a multiplicity of trade unions, then it would be viewed as a major victory in the West but a threat in the Soviet Union, which has denounced such bodies as Charter 77, the Free Union of Soviet Workers and KOR as "products of Western propaganda" at ILO meetings.

Russia Expected to Retaliate If U.S. Forces Attacked Iran

By Richard Burr

WASHINGTON, Aug. 26 (NYT) — Defense Department intelligence specialists have concluded that a U.S. military assault against Iran would probably lead the Soviet Union to send forces into that country, government officials said yesterday.

The officials cited the intelligence assessment to refute reports last week that the Carter administration was actively contemplating a military strike against Iran in mid-October. The reports, prepared by Jack Anderson, the syndicated columnist, were officially denied by the White House and the Pentagon.

'More Relaxed Attitude'

Officials said the Pentagon's Defense Intelligence Agency was asked earlier this year to examine in detail how the Soviet Union would respond to various U.S. military actions against Iran. The agency, they said, concluded that while Moscow was unlikely to react to a small-scale rescue operation such as the one last April, there was a good chance that it would respond to a major assault by moving forces into northern Iran.

In a similar study, the Central Intelligence Agency was said by one official to have taken "a more relaxed attitude" toward the prospects for Soviet military intervention, but it, too, is said to have concluded that this possibility could not be ruled out.

The findings of the two agencies are said by officials to have led President Carter and senior aides to rule out military action against Iran for the foreseeable future, barring any significant worsening in the treatment of the hostages.

In five widely publicized columns last week, Mr. Anderson said that Mr. Carter "was rushing ahead with plans to invade Iran," in order "to save himself from almost certain defeat" in the November presidential election.

Mr. Anderson wrote that "the primary target is Kharg Island in the Persian Gulf and possibly some of the Iranian oil fields." Kharg Island is Iran's primary facility for pumping oil into tankers for export.

'Simply Untrue'

Early last week, the White House denied any plans to attack Iran and said the report that Mr. Carter was ready to use force to improve his domestic political position was "grotesque." Last Friday, Secretary of Defense Harold Brown, in a radio interview, said, "It's simply untrue that there's a presidential intention to invade Iran."

While denying any military move against Iran was being prepared, one Pentagon aide said that some senior military officers had recently expressed concern that Mr. Carter could be tempted to order a military show of force before November to strengthen his political standing at home.

In his columns, Mr. Anderson said there were several "jigsaw pieces" that suggested a large action against Iran was being prepared, including a decision by Mr. Carter last February to move a surveillance satellite over Iran, the movement of a squadron of F-4 fighters and about 500 support personnel to Egypt, the installation of ultrasecret communications gear in Egypt and the deployment of six container ships filled with military equipment to the Indian Ocean.

Although officials declined to discuss operations in the region, they acknowledged that there has been a steady increase in military activities in the vicinity of the Gulf. But they said the activities were not components of a specific operation targeted against Iran, but part of a long-term program for creating a rapid deployment force for use in the event of Soviet aggression.

Contingency Plans

They added that the deployment of F-4 fighters to Egypt and the military cargo ships to the U.S. base at Diego Garcia were not secret operations and had been announced by the Pentagon.

Discussing the possibility of an attack on Kharg Island, officials said that several options for striking Iran were drawn up soon after the seizure of the hostages last November, including attacks against the country's oil facilities. They reported, however, that following the abortive rescue attempt last April, these contingency plans have received only scant high-level attention.

This situation could change, the officials said, if the lives of the hostages were placed in jeopardy. Some officials suggested in reporting U.S. plans for an Iranian invasion, Mr. Anderson may have obtained details of a Pentagon war game conducted last June known as "Positive Leap." In the exercise, senior military commanders are said to have tested the capacity of U.S. air, naval and ground forces to intervene in a timely manner in a conflict in Iran.

Other officials disclosed that the administration is planning a series of military exercises in the Gulf this fall. In two of the exercises, they said, small contingents of Marine and Army troops would be landed on the Arabian Peninsula, but not in the vicinity of Iran.

At the State Department, officials reacted cautiously to an announcement yesterday by the militants at the U.S. Embassy in Tehran saying that any military move against Iran could result in the death of the hostages. The officials speculated that the statement was provoked, in part, by the Anderson articles.

U.S. Seeks to Revive Talks On Palestinian Self-Rule

By Bernard Gwertzman

WASHINGTON, Aug. 26 (NYT) — Despite new differences with both Egypt and Israel, the United States intends to make another effort at the end of this week to revive the negotiations on Palestinian self-rule, administration officials said.

They said that Spil Linowitz, President Carter's special Middle East negotiator, planned to fly to Israel on Saturday for talks with Prime Minister Menachem Begin, and a few days later to Egypt to see President Anwar Sadat.

Mr. Linowitz said he was not optimistic that his mission would end the impasse in the negotiations, but he hoped to see if Egypt and Israel could agree at least to a new round of technical-level talks.

Progress Impossible

Mr. Sadat has already said it would be useless to resume negotiations until after the U.S. presidential election in November. He said he wanted a new three-way meeting with Mr. Carter and Mr. Begin at that time.

The United States has told Mr. Sadat it believes that the negotiations should not wait until November. Mr. Linowitz, in his meetings with the Egyptian leader, intends to find out if there is any flexibility in his position.

Mr. Sadat has said that Israel's action in passing a law formalizing its annexation of Arab East Jerusalem and declaring the united city the capital, as well as its refusal to stop the establishment of settlements on the West Bank, have

made progress in the talks impossible.

Mr. Begin agrees with the United States that the negotiations should be resumed now, but refuses to make any compromises on Jerusalem or the Israeli settlements.

In addition, Mr. Begin has undertaken a major attack on the Carter administration for its decision to abstain at the United Nations Security Council last week on the vote condemning Israel for its Jerusalem policies.

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WORLD NEWS BRIEFS

Kabul Reports Clashes Near Iranian Border

NEW DELHI, Aug. 26 (UPI) — The Afghan government conceded today that heavy fighting was occurring in the southern provinces of Afghanistan, particularly along the border with Iran.

Radio Kabul, in a broadcast monitored in New Delhi, said, "A number of terrorists in the Shahre Safa area of Zabol province attacked two caravans of trucks and clashed with the armed forces of the 46th battalion." Shahre Safa is located on the border between the provinces of Zabol and Kandahar, about 190 miles southwest of Kabul. Afghan rebels for the past several weeks have been reporting battles there, but Radio Kabul had made no mention of them. The radio today also reported fighting between guerrillas and government troops at two places in the northern provinces bordering the Soviet Union.

Bani-Sadr Asks Cabinet Ministers to Remain

TEHRAN, Aug. 26 (Reuters) — President Abolhassan Bani-Sadr today asked all ministers of the current government to remain in office, as a stalemate continued over the selection of a new Cabinet.

The Iranian president made the request after seven ministers jointly offered their resignations to him, saying their work had ended with the appointment of Premier Mohammad Ali Rajai.

The president and premier have disagreed on some of the ministerial nominees who, under the constitution, must be approved by Mr. Bani-Sadr before being presented to the Majlis (parliament) for a vote of confidence. Mr. Bani-Sadr reportedly has sought to prevent the Cabinet from being dominated by hard-line members of the Islamic Republican Party, which supports Mr. Rajai.

Rebels Encircled by Papua New Guinea Forces

VILA, Vanuatu, Aug. 26 (AP) — Jimmy Stevens, the leader of secessionist rebels, and several hundred of his supporters have been surrounded by Papua New Guinea troops in a forest village, a government spokesman said today.

The rebel group, holed up in Vaisio village in Espiritu Santo, has indicated it wants to surrender, but so far has made no move to come to the checkpoint of the Papua New Guinea forces, said Peter Taurakoto, permanent secretary of the Vanuatu Ministry of Home Affairs.

Mr. Taurakoto said that Mr. Stevens and his men were ready to surrender but were "scared stiff" of the Papua New Guinea defense forces, especially the jungle fighters. He said they were afraid that the troops, who were called in to suppress the rebellion, would kill them. "But that's not the intention of the Vanuatu government," Mr. Taurakoto added.

U.S. May Speed Up Nuclear Fusion Plans

WASHINGTON, Aug. 26 (AP) — The House of Representatives has approved a bill declaring it a national commitment to complete a demonstration nuclear fusion power plant by the end of the century and an interim test facility by 1987.

The measure, passed 365-7 yesterday, now goes to the Senate. It earmarks a \$434.5-million installment for the fiscal year beginning Oct. 1, while envisioning an eventual \$20 billion federal commitment toward meeting the goal.

The present legislative timetable calls for a demonstration fusion power plant by the year 2015. The proposed speedup legislation has 169 House co-sponsors.

Youths Battle Police in North Philadelphia

PHILADELPHIA, Aug. 26 (UPI) — Bands of youths waged hit-and-run attacks today on police patrolling a predominantly black area where about 500 people, some throwing rocks and bottles, surrounded a police station yesterday to protest the shooting of a teen-ager.

Twelve policemen and two firemen were injured during four hours of violence yesterday. Seven persons were arrested.

Yesterday's incidents began about 7:30 p.m. in North Philadelphia as demonstrators surrounded police district headquarters to protest the death of William Green, 17, a stolen car suspect shot Sunday during a struggle with a white policeman. Police said it was an accident.

Carter Proposal on Taxes Rejects Broad Reduction

(Continued from Page 1)

starts Oct. 1, 1980, might come to \$7 billion, officials said. The Commerce Department's Economic Development Administration, which tries to reinvigorate companies and localities in high-unemployment areas, would get an extra \$1 billion of loan and loan-guarantee authority for fiscal year 1981 and an extra \$2 billion for fiscal year 1982, the officials said.

The proposal for income tax credits equivalent to 10 percent of Social Security payroll taxes would include cash payments to nonprofit employers that pay no federal taxes, such as city and state governments that have elected to participate in the Social Security program.

It is expected that income taxes withheld from wages and salaries would be reduced to take account of the credit against Social Security taxes, so that most workers would experience no loss of take-home pay or perhaps even an increase. The credit would be payable in cash to workers and employers who owe no income tax.

The proposed effective date is Jan. 1, 1981. However, when withholding taxes are adjusted will depend on when — and if — Congress enacts the tax credit. Among some members of Congress there is a fear that if the matter is delayed until 1981, the tendency of Congress to procrastinate could delay the change in withholding for months.

When the Social Security payroll tax rises next Jan. 1 to 6.65 percent from 6.13 percent, the taxable wage base also will go up, to \$29,700 from \$25,900 this year. The overall result will be to boost the maximum tax payable by an employee or employer to \$1,975.05 from \$1,587.67 this year.

Payroll tax payments into the Social Security old-age trust fund would be unaffected by the income tax credit and so the ability of the trust fund to pay monthly benefits would not be weakened, according to Rep. Gephardt.

Kennedy Meets Carter

WASHINGTON, Aug. 26 (NYT) — Sen. Edward Kennedy, emerging from a private one-hour meeting with President Carter at the White House, said yesterday that he was very much encouraged by Mr. Carter's plans to reduce unemployment, and that he would campaign actively for the president's re-election.

Sen. Kennedy, however, said he felt that the job-creation component of Mr. Carter's economic revitalization program needed to be strengthened. The consultation was of major political significance, because Sen. Kennedy has made unemployment his highest point of contention with the president.

Oil States Are Assailed

(Continued from Page 1)

coming unless other nations are also prepared to do their part. Not only must oil exporters bear some of the burden, he said, but the Soviet bloc must as well. This group, Mr. Muskie said, should increase both its aid and trade and also help in stabilizing commodity prices.

In contrast, Mr. Narasimha Rao did not mention the Soviet Union. For all practical purposes, he was involved in the bargaining here, although its delegates tend to support the Third World.

Consistent with the Third World goal of political solidarity with the oil producers and hope of gaining cut-rate oil and aid from them, Mr. Narasimha Rao was protective of the member nations of the Organization of Petroleum Exporting Countries.

For example, he urged that the IMF examine nations with trade surpluses in the West with the same scrutiny that the lending organization extends to the poor countries with payments deficits. He did not suggest an IMF examination of the nations with the largest balance-of-payments surpluses, the United States and the Gulf.

Mr. Narasimha Rao "planned overconsumption" in the West and the West's "exported inflation" for the present oil-price level. Mr. Muskie partly agreed, saying that the rich nations should import less crude.

Carter's Energy Knew

WASHINGTON, Aug. 26 (UPI) — President Carter today named the appointment of Sam Sawhill, deputy energy secretary, to the U.S. representative to the International Conference of the International Atomic Energy Agency in Vienna, Sept. 22-26.

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Carter Opposes Plan for Weapons Plant

House's Nerve Gas Move Reopens Debate

By A.O. Sulzberger Jr.

WASHINGTON, Aug. 26 (NYT) — The item in the military construction appropriations bill for 1981 was only two paragraphs long, buried amid such topics as the MX missile and military bases in the Middle East, so it was not even debated on the floor of the House of Representatives when it was approved.

But since then the decision, made June 27, to appropriate \$3.15 million to begin building a factory that could produce a new generation of nerve gas weapons has revived a decade-old battle over whether there is a need to modernize the Army's ability to wage chemical warfare.

Opponents of the new, binary nerve gas weapon fear that Congress is backing into what is estimated to be at least a \$2-billion program to produce new weapons and safely dispose of the nation's current stockpile of millions of nerve gas artillery shells, bombs and land mines.

Change of Mood

In many respects, the fight is strikingly similar to one that began in late 1973 when the Army, which had long wanted the new nerve gas system, announced plans to spend \$200 million to produce a binary gas artillery shell. That battle ended in August, 1974, when the House eliminated the money from the Defense Department's appropriations.

Proponents of the new system believe the mood of Congress and of the nation has changed since the House took that action. The House action, however, has not yet been matched by similar action in the Senate.

The binary concept, first proposed by Army scientists in 1954, involves building bombs and artillery shells that contain two chemicals that are relatively harmless

when separated but mix together to form a toxic nerve gas while the projectile is in flight.

This system, its defenders argue, is safer to store and transport than the current weapons, which contain the deadly gas already mixed, and could leak if damaged. But the issue is not so much whether the new system is better than the old, although that is being argued, but rather whether the United States needs anything more than what it already has.

It was in 1969 that President Nixon ordered the Army to begin building a new stockpile of chemical weapons from what was then a large arsenal. Since then, Congress has repeatedly refused to authorize the binary system that the Army has been requesting.

Request Dropped, Revived

This year, the Army again requested money for the production plant. The Carter administration reviewed the request and then dropped it from its overall military budget. And there things would have stood, except for Rep. Richard Ichord, a Missouri Democrat who will retire from the House this year.

Rep. Ichord, chairman of the research and development subcommittee of the House Armed Services Committee, offered an amendment to the military construction appropriations bill providing for the \$3.15 million requested by the Army.

He cited recent reports that the Soviet Union had used chemical weapons in Afghanistan and intelligence reports indicating that the Russians had increased and modernized their chemical inventory so that they now have the best-trained and best-equipped chemical warfare forces in the world. The amendment passed in the subcommittee with no objections and was never discussed in the full committee's debate.

"Tragically," Rep. Ichord wrote last year in Reader's Digest, "we have allowed our natural revulsion for this form of weapon to override our common sense and have permitted our deterrent capability to deteriorate dangerously."

The House decision is opposed by the Carter administration as premature, and Secretary of State Edmund Muskie and Secretary of Defense Harold Brown have written letters to members of Congress saying so.

Meanwhile, the administration has remained in the background while an interagency group assesses military needs and also the arms control and foreign policy impact of the decision to build a binary production plant.

In late June, Sen. Harry Byrd Jr., the Virginia independent, offered an amendment similar to Rep. Ichord's to the Senate military construction bill. He later agreed to withdraw the amendment. But the bill is still in committee, where another such amendment could be introduced.

One possibility is that when the Senate and House meet this fall to work out the differences between the two bills, the Senate may quietly accept the House provision and thereby avoid a formal vote on the issue.

But opposition is already growing in the Senate from, among others, Gary Hart, D-Colo., who heads the Senate subcommittee on military construction. "I, too, am alarmed by the lack of public debate on this issue," he said recently.

Under a 1975 law, Congress cannot finance the production of binary munitions unless the president certifies that such action is essential to national security. However, proponents of building the plant at the Pine Bluff Arsenal in Arkansas say that this prohibition does not apply to building a factory.

Illinois' Answer to Old King Tut Builds Monument to a Bad Back

GURNEE, Ill., Aug. 26 (UPI) — There is a Cairo, Ill., but don't be confused. Gurnee is the Illinois town with the pyramid.

For two years, Jim Onan has been working on a six-story, five-bedroom pyramid for his family in Gurnee, a northern Chicago suburb.

A sufferer from a chronic back ailment since childhood, the 42-year-old building contractor said he long has been interested in the alleged healing and energy-generation powers of pyramids.

Just from the time spent building his pyramid — which he said is about a year away from completion — Mr. Onan believes he has felt the benefits. "My back problems are gone, and the only thing I can attribute it to is the pyramid," he said yesterday. "I just had a physical and I'm fine."

Stories of how razor blades become sharpened and how diseases such as arthritis and cancer could be cured by pyramids enticed Mr. Onan. He then experimented with small pyramids and said he confirmed reports that food placed in them would dehydrate instead of rotting.

"I want to find out — under extremely controlled circumstances — if there is something there or if people are imagining [the healing qualities]," he said. "I would like to challenge a research hospital to conduct the testing. If the merits are there, fine. If not, they can say we're nuts."

Bishop Gives Up U.S. Citizenship, May Be Deported for Fascist Past

NEW YORK, Aug. 26 (UPI) — Bishop Valerian Trifa — a former member of the Romanian fascist movement who allegedly took part in a massacre of Jews during World War II — has surrendered his U.S. citizenship and faces possible deportation, the Anti-Defamation League of B'nai B'rith said today.

Bishop Trifa, now member of the Romanian Orthodox Episcopate of America, headquartered in Green Lake, Mich., surrendered his papers yesterday in U.S. District Court in Detroit, the league said. Justice Department officials were unavailable to confirm Bishop Trifa's action.

B'nai B'rith quoted a statement Bishop Trifa released in court as saying: "The relinquishment of my citizenship is in no way to be considered an admission of the government allegations." The league asked

the Justice Department to begin deportation proceedings immediately.

Bishop Trifa, who used the first name of Viorel during World War II, was the leader of the student organization of the Iron Guard, a pro-Hitler movement. In January, 1941, the Iron Guard rebelled against the Romanian government, rounding up hundreds, and possibly thousands, of Romanian Jews and killing them.

Bishop Trifa, who has denied he took part in the massacre, was quoted in his statement yesterday as saying that the legal moves against him had forced him to act "as a vehicle of condemnation" for "the many fine men and women who gave so much in their dedication to what was then felt as the best solution to Romania's many and complex difficulties."



VIOLENT ANTI-STRAUSS RALLY — More than 100 policemen and at least four demonstrators were injured during a tumultuous demonstration in Hamburg Monday night against an election rally by Franz-Josef Strauss, who is challenging Helmut Schmidt for the chancellorship of West Germany. The riots, in which six firebrake trucks, 27 police vehicles and an unknown number of private cars were damaged, reportedly started when 15,000 anti-Strauss demonstrators marched on the hall where Mr. Strauss was speaking, according to the police.

She Told Panthers Baby Was Not by Husband

FBI Notes Quote Seberg on Pregnancy

WASHINGTON, Aug. 26 (NYT) — According to transcripts of Federal Bureau of Investigation wiretaps in 1976, Jean Seberg, the late actress, told two persons at the Berkeley, Calif., headquarters of the Black Panther Party that she was pregnant by someone other than her husband, perhaps by an official of the party.

Miss Seberg committed suicide last year in Paris, and Raymond Gary, the French diplomat and author who was her husband in 1970, said then that the baby was his and that the bureau had destroyed the actress' life with a smear campaign.

Bureau documents released after Mr. Gary made his charges showed that there had been a plot to release the information to news organizations in an attempt to besmirch the reputation of Miss Seberg, who was an active supporter of the black nationalist movement.

But, according to FBI documents, agents were instructed by the bureau's director, J. Edgar Hoover, to postpone the use of the information for at least two months to protect "the sensitive source of information." Before permission was given to plant the information, it was reported by the Los Angeles Times, but the columnist who reported it, Joyce Haber, has not identified her source and has stated that, if she was used by the FBI, she did not know it.

Husband's Version
Mr. Gary said at a Paris news conference last year that his wife was seven months pregnant when she read the articles about her and the Black Panther, and that she immediately went into labor. The baby, a girl, was delivered by emergency cesarean section and died three days later.

However, according to transcripts of an April 12, 1970, conversation between Miss Seberg and the two persons at the Panther Party headquarters in Berkeley, Miss Seberg talked of her decision to have the baby, which was not her husband's, and her husband's reaction to that decision.

"I told him the truth," the transcript quotes her as saying. "He was really very civilized. Very nice."

The transcript was obtained by Reed Irvine, editor of the newsletter Accuracy in Media, through a Freedom of Information request. While Miss Seberg did not specifically state who the father of the child was, Mr. Irvine said in a press release and at a news conference that

the tape showed the father to be Raymond Hewitt, then the Black Panther "minister of education."

But in another transcript, this one of a conversation a week later, Miss Seberg is quoted as saying that she planned to sue Newsweek magazine for publishing a report that she had become pregnant by a black activist in California. She and

Mr. Gary were awarded \$10,000 in that suit.

Miss Seberg said in 1974 that she had "cracked up" after the baby's death. According to Mr. Gary, Miss Seberg attempted suicide every year on the anniversary of her child's death. The actress died last September, at age 40, of an overdose of barbiturates, leaving a suicide note.

Obituaries

Dancer Gower Champion, A Choreographer in U.S.

HOLLYWOOD, Aug. 26 (LAT) — Gower Champion, 61, premier choreographer-director of the American theater, died yesterday in New York City a few hours before the curtain went up on the opening night of his latest Broadway show.

Mr. Champion died at noon in the intensive-care unit of Memorial Sloan-Kettering Cancer Center, where he had been under treatment for Waldenström's disease, a rare cancerous condition of the blood.

News of his death was withheld for several hours. The cast of his new show, "42nd Street," has just taken the last of their curtain calls when producer David Merrick came to center stage.

"This is a very tragic occasion for me," he said. "At 12 o'clock today, Gower Champion died."

There was a moment of stunned silence, then the audience quietly filed out of the theater. Mr. Merrick said the delay in announcing his death had been at the director's own suggestion. "He said to make sure nothing queered the opening night," Mr. Merrick told friends afterward.

Complete Showman
Dancer, choreographer, actor, director and showman, Mr. Champion had devoted his life to entertainment in all its forms. He had been successful on stage, in films and on television.

Born June 22, 1919, in Geneva, Ill., Mr. Champion was brought to Los Angeles at the age of 2 after his parents were divorced.

After sea duty with the Coast Guard during World War II, Mr. Champion teamed up with Marjorie Belcher, daughter of his former ballet teacher. Their first professional appearance was in Montreal in



Gower Champion

1947. They were married a few months later and made their New York debut soon afterward.

In 1948, Mr. Champion staged the dances for the Broadway show "Small Wonder," and this led to a trip back to Hollywood, where he choreographed "Lend an Ear," a stage show that was taken to New York for a successful run and won the Donaldson Dance Magazine and Antoinette Perry (Tony) awards for the best dances on Broadway that year.

By the late 1950s, Mr. Champion had turned back to Broadway, making his directorial debut in the hit musical, "Bye Bye Birdie." He directed and choreographed another stage musical, "Carnival," and won another Tony for his work on "Hello, Dolly!"

He and Marge Champion were separated in 1972 and divorced the following year. His second marriage, to Karla Champion, ended in divorce in 1979.

George R. Stewart

SAN FRANCISCO, Aug. 26 (AP) — George R. Stewart, 85, author of "Storm," "Names on the Land" and more than 30 other books, died Friday.

His 1941 best-selling novel "Storm," an account of the 12-day life of a tempest he named Maria, led what was then the U.S. Weather Bureau to begin naming hurricanes after women. It also inspired the popular song, "They Call the Wind Maria."

Andre Parrot

PARIS, Aug. 26 (AP) — Andre Parrot, 79, the French archaeologist whose discoveries of Mesopotamian civilization in Iraq won him renown in the 1930s, died Sunday. He served as director of the Louvre museum from 1968 to 1972.

Lord Godber

BEDFORD, England, Aug. 26 (AP) — Lord Godber, 66, who as Joseph Bradshaw Godber served as a minister in the Conservative governments of Sir Alec Douglas-Home and Edward Heath, died Sunday at his home near here.

Rosa Albach-Retty

VIENNA, Aug. 26 (AP) — Rosa Albach-Retty, 105, the last surviving member of the acting troupe of the Austro-Hungarian imperial court and the grandmother of Austrian actress Romy Schneider, died today.



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Israeli Crime Group Said To Expand U.S. Activity

By Jeffrey Perlman

LOS ANGELES, Aug. 26 (LAT) — A group of Israeli nationals based in Los Angeles has expanded its activities from narcotics trafficking, extortion and related crimes to insurance, bankruptcy and killing fraud, George Deukmejian, the California attorney general, disclosed yesterday.

In his annual report on organized crime to the state legislature, Mr. Deukmejian also said that Joe Bonanno, a reputed organized crime leader "ostensibly living in retirement in Arizona," had apparently tried to purchase several California auto dealerships. Such takeovers are often used as a means of laundering funds derived from illegal activities, the report said.

Last February, federal agents confirmed that they were looking into charges of widespread criminal activity in the Los Angeles area on the part of several Middle Easterners associated with what some news media have termed an "Israeli Mafia."

Law enforcement officials have cautioned, however, that there was no organized group that fits the Mafia label.

Post-Murder Probe

The federal investigation initially focused on extortion, murder, arson and drug trafficking after two Israel-nationals were murdered, and their dismembered bodies found in trash bins in the Los Angeles area last year.

Business shakedowns by so-called hags were also purportedly occur-

ring last year, but the report released yesterday indicated that the Israeli group was heavily involved in white-collar crimes as well.

Israeli gang members have filed large numbers of fraudulent theft and burglary reports with law enforcement agencies "for the purpose of collecting insurance," the report said.

Israeli gang members reportedly use fictitious names and addresses "to order large quantities of photographic and electronic equipment. They have a delivery service pick up the merchandise and deposit it at an empty warehouse, from where they immediately transfer it to another location" just before filing a burglary or theft report.

Arson is also committed to collect fire insurance, the report said.

Smuggling of Aliens

In bankruptcy frauds, the report said, merchandise orders from manufacturers are picked up just as the Israeli group files bankruptcy, and then the merchandise is "fenced through other members of the group or sold to reputable outlets."

The report also cited concern among law enforcement officials about a growing number of Israeli nationals being smuggled into the United States through Mexico to assist the Israeli crime group.

The report added: "Interpol ... has indicated that several gang members have operated criminally on an international scale, and it is also known that several members have served prison sentences in Israel."

Polish Prudence in Order

The bind that Polish leader Edward Gierek finds himself in is not dissimilar to that of a Western leader trying to beat stagflation and win re-election at the same time. He must persuade Poles whose zlotys are eroding rapidly that if they want more meat in the future they must tighten their belts now. But whatever answer he comes up with is likely to have about as much effect as President Carter telling an unemployed autoworker that this administration has created more jobs than any in history. Big deal.

But there are also critical differences. For one thing, Big Brother is looking over Mr. Gierek's shoulder. He can solve his problem and retain his office only if he plays by Soviet rules. That means he must keep the current strikes from erupting into violence and must guarantee that the Soviet-designed and supported system of state control remains intact.

He is free to tinker with the economy, although his room to maneuver is severely limited by marketplace-style reality. For one thing, the Polish economy is being kept afloat by \$20 billion in Western loans. That debt burden can't be reduced by keeping meat prices at 1966 levels.

The economic problems must be dealt with in the long run, but the immediate threat in Poland — the one that could end with Soviet troops in the streets of Warsaw — is that the authority of the state will be undermined. Mr. Gierek has already made major concessions in Communist terms. He has authorized unlimited candidates in trade union elections, which will dilute the control of the party and the state, and he has loosened restraints on the media.

In fact, for the first time, the Polish people have been told that Socialist Poland is \$20 billion in debt to the West's capitalist bank-

ers. Now the government has apparently recognized the right of workers to strike in some circumstances — a paradox in Communist terms, since in theory the workers own the means of production and would therefore be striking against themselves.

There is considerable reason for doubt that the Soviet Union will find these concessions acceptable. Aside from the likelihood that the changes will create expectations of further liberalization in the future, whatever the Polish workers achieve is bound to create desire for similar treatment elsewhere in the Soviet bloc. Therefore, even if the 200,000 striking workers should demand little more than they have already been granted, which seems unlikely, Mr. Gierek is already in big trouble.

He has been forced to dismiss Premier Edward Babiuch and others close to him and bring back into positions of power two men he drove out. One in particular, Stefan Olszowski, seems a logical successor should Mr. Gierek be replaced. Mr. Olszowski is known as a political hardliner with an understanding of economics that goes beyond Marxist theory. He would probably be acceptable to the Soviet Union.

The unanswerable question for the moment is how much more the workers will ask. There is little doubt that if they stick to their demands for an end to censorship and completely free trade unions, the situation will get out of hand. Just how dangerous that might be is unpredictable, but the worst case is a war planner's nightmare. All NATO and Warsaw Pact governments have been scrupulously careful not to stir the pot. The Polish workers know what the potential consequences are. Despite the legitimacy of their cause, they ought not to overplay their hand.

INTERNATIONAL HERALD TRIBUNE.

'We Want Something New'

The Polish government hopes to persuade the strikers that everything is changed, while simultaneously reassuring the Russians that little has changed. The danger of this moment is sufficiently clear to enforce — so far — an extraordinary degree of restraint on everyone involved. The strikers have carefully avoided inflammatory language. The government has refrained from threats. The Catholic Church has expressed its "understanding" of the workers while cautioning against the risk of bloodshed. The Russians have had little to say publicly.

The strikers' goals translate into a more decentralized political system and more exchange with the West to speed economic development. Those are, in a sense, the same demands that earlier strikers made in 1970. It is clearer in retrospect than it was at the time, but the Russians responded to that challenge by giving their assent. It was a highly conditional and cautious assent, but it was significant. Since then, Poland's trade with the West, and investment from the West, have

grown substantially. Polish political life has become less constrained. These processes have gone too far to be reversed.

The present question seems to be the character of future change, and whether it can be held to a rate that the Russians will accept. It is impossible to guess where the present strikes may lead. But the consequences of the 1970 strikes, as they unfolded over the years, altered the course not only of Polish communism but of the Soviet system of rule as well.

Poland has reached the stage in development where each advance becomes an incentive to further and faster advances. Public frustration and irritation run high.

The Polish Communist Party, struggling to regain control of this process, has now dismissed the country's premier and most of the ministers responsible for economic policy. That does not seem to have produced any immediate change in the atmosphere. As one of the strike leaders put it, simply and clearly: "We want something new."

THE WASHINGTON POST.

A Two-Reagans China Policy

There is something disarming in the spectacle of Ronald Reagan thrashing around in his own China shop. Asked point-blank last week whether he favors "official relations" with Taiwan, yes or no, the Republican nominee responded, "Ah, I guess it's a yes." In short, Reagan cannot readily tell a lie, or even a diplomatic fib. But the result of such candor is to persuade Peking that the governor is either unreliable or inscrutable. Oddly enough, not even Taiwan is pressing for any "official relations" that would jeopardize Washington's evolving ties with Peking.

Almost as disarming was George Bush's defense while in China of another of Reagan's usages. The governor recurrently refers to "the free Republic of China," which the Peking regime regards as a slur on its own claims to legitimacy. What does Reagan really mean? According to Bush, such language stems from habits of speech, rather than policy views. Perhaps Reagan staff members should be required to annotate all of their candidate's future utterances to distinguish between new and significant and merely habitual.

Now, the Republican candidates have gotten together for some damage control. In their joint news conference Monday, Reagan managed to reshuffle his China cards. He probably quieted the current political flap, whether he reassured the Chinese is less clear. While avowing support for a "developing relationship with China," he decried the "petty practice" of pretending that America's relations with Taiwan are unofficial. In the telling gloss of a key Reagan aide, it is all a

matter of semantics: "What is said frequently in a campaign may not always be as precise as the speaker would like it to be." So the voters, and Peking, are left to guess which Ronald Reagan is speaking, or which China policy means most to him.

To Reagan, and many conservatives, Communist China was a country "lost" to the free world through the stupidity or perfidy of Democratic administrations. No less an authority than Richard Nixon insisted that this was the case — until times changed and the same Nixon grandly made peace with China, something he proclaimed to be his single greatest achievement. The price was American acceptance of the claim that there is only one China, not two. Both Chinas took the same position, so it was a small price to pay for so large a diplomatic dividend. In fact America has continued to guarantee Taiwan's prosperity and security.

To normalize relations with China, the Carter administration had to agree to formalize this pretense. Under the Taiwan Relations Act of 1979, Washington has ties only with the "people of Taiwan," and even arms sales are negotiated not through an embassy but an ostensibly "unofficial" institute.

Reagan is not alone in feeling discomfort about the pretense; he responds to people who still think the United States has in fact betrayed a faithful ally. But does it help Taiwan, or Reagan's candidacy, to suggest that America can have the impossible: "official" relations with both China and Taiwan? Our guess is that it's a no.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

August 27, 1905

PARIS — In small detachments, some of the employees of the bankrupt McCaddon circus are passing through Paris from Grenoble on their way to a seaport somewhere, hoping to be able to work their passage back to the United States. A dozen or more, with thin faces and loose waistbands, yesterday mingled with well-dressed Americans in the offices of the American Express Company, where they reported and were booked onward and provided with 10 francs, to guard against possible want or hunger. Messages have been sent to American stockholders of the circus company asking for advances on behalf of the stranded showmen.

Fifty Years Ago

August 27, 1930

LOS ANGELES — Lon Chaney, the film star known as "the man of 1,000 faces," died today. In depicting the grotesque figures that brought him fame, he often underwent painful contortions that are said to have undermined his health. He was born in Colorado Springs in 1883, of parents who were both deaf mutes. From them he claimed to have inherited his sense of pantomime. With "The Miracle Man," a story of crooks, one of whom could twist himself into the weirdest shapes, Chaney's name became famous almost overnight. Other successes were "The Hunchback of Notre Dame" and "The Phantom of the Opera."



'Rapid-Deployment' Site

U.S. Is Said to Plan Major Egypt Air Base

By George C. Wilson

WASHINGTON, Aug. 26 (WP) — The United States plans to spend as much as \$400 million to transform Egypt's back-country airfield at Ras Banas into a launching pad for the "rapid-deployment force," government sources said today.

Ras Banas, a point of land extending into the Red Sea across from Saudi Arabia, will be improved to accommodate military planes and a division of troops. The planes and troops would not be stationed at Ras Banas permanently but instead would fly in there during periods of tension in the Middle East.

To keep the American profile low in normal times, buildings will be kept to a minimum.

Internal Pentagon budget documents confirm that President Carter is counting heavily on Egyptian President Anwar Sadat to provide a staging area for U.S. forces in the Arab Middle East.

In one such document, Defense Secretary Harold Brown directs the Army in drafting its basic budget for fiscal 1982 — the budget going to Congress in January — to provide funds for construction of a staging facility and one division of troops at Ras Banas. Detailed project description was to be provided by separate correspondence.

Largest Planes
Sources said the airfield will be first class, presumably with runways big enough to accommodate the largest transports and bombers.

It would make military sense for B-52s, spy planes like the SR-71 Blackbird, refueling aircraft and troop transports to use Ras Banas, not just fighters which can fly only about 300 miles with a full load of munitions before having to return to base. Refueling in flight extends their range.

As for barracks and mess halls and other facilities at Ras Banas, up to a division of rapid-deployment troops, the Pentagon does not plan a Fort Benning in Egypt. Aside from such basics as water and sanitation facilities, the idea is for the American troops to bring with them what they would need along with them — including tents.

The Pentagon estimates it will cost from \$200 million to \$400 million to upgrade Ras Banas, with the higher figure likely to be nearer the ultimate price tag.

Mr. Sadat has publicly put out the welcome mat for U.S. military forces to use his facilities on a temporary basis. Not only does the upgrading of Ras Banas promise to strengthen Mr. Sadat and other friends of the West, in the Carter administration's view, but it will help Egypt itself militarily and economically.

Southern Egypt

The Egyptian Air Force will get full use of the Ras Banas airfield improved at U.S. expense, and the American-financed construction will help develop southern Egypt. Its remote location in southern Egypt also gives Israel less cause to

worry about a modern air base at Ras Banas, in the administration's view.

The fact that money is being set aside for Ras Banas in the Army and Air Force budgets evidences confidence that the Egyptian outpost will play a major role in extending the U.S. reach in the Indian Ocean.

Oman, Somalia, Kenya, Diego Garcia and possibly Israel also figure prominently in Pentagon contingency plans for bringing U.S. military power to bear in the crisis and to combat what planners see as a growing Soviet threat to the West's oil line.

Oman's air and naval facilities at the island of Al Masirah and the Thamarit airfield inland in Dhofar provide staging areas in the Gulf. As is the case of Ras Banas, the U.S. uses an agreement made with the Sultan intended to spend millions to improve existing facilities in Oman.

U.S. ships and planes operating from Al Masirah and Thamarit will be able to guard the Straits of Hormuz, a choke point for tankers carrying Iranian and Saudi oil out of the Gulf. The bases also put Southern Yemen in easier reach.

Somalia's formal agreement last week to allow U.S. forces to use its naval ports at Berbera on the Gulf of Aden and at Mogadishu on the Indian Ocean as a military assist in protecting another passageway, the Straits of Bab al Mandab connecting the Red Sea with the Indian Ocean.

Vital Passages

Military planners consider the Straits of Hormuz, Bab al Mandab and the Suez Canal as the three most strategic naval passageways in the most volatile area.

The Russians, too, seem to appreciate the importance of those straits. Pentagon planners see the Soviet Navy's use of Southern Yemen's port of Aden and its island of Socotra as menacing to the Straits of Bab al Mandab. Ethiopia's port of Assaba, its airfields and its island of Dahlak in the Red Sea also are viewed as potential launching pads for Soviet power in East Africa.

Further south, Kenya's agreement to allow the United States to use its port of Mombasa and preposition equipment there gives the rapid-deployment force another place to put its feet down.

The British island of Diego Garcia is being turned into the warehouse for the rapid-deployment force as part of a U.S. investment expected to run up to \$1 billion. Runways on the island are being enlarged to make it easier to handle B-52s.

Gen. R. H. Ellis, commander of the Strategic Air Command, wrote Mr. Brown in a secret letter dated April 9, 1979, suggesting that consideration should be given to making the Navy bases that the United States will build for Israel under the Camp David agreement available for B-52s and U.S. refueling planes. This has not been acted upon, according to Pentagon sources.

September Poll Appears Unlikely to Be Held

Hungry, Violent Uganda Awaits Election

By Gregory Jaynes

KAMPALA, Uganda, Aug. 26 (NYT) — There is supposed to be an election here in five weeks, but the scheduled voting day, Sept. 30, the scheduled voting day, is likely to pass without a vote being cast, and one of the saddest stories in Africa will continue without an end in sight.

Three governments have held power in the 18 months since Field Marshal Idi Amin was overthrown. The present one, a six-man Military Commission that took power last May from former President Godfrey Binaisa, has asked Britain to underwrite the cost of the election.

A senior British diplomat confirmed that the request for about \$315,000 will probably be approved, but says that the compilation of a voters' roll, the printing of ballots and other preparations cannot possibly be accomplished before the end of the year.

Coffee Smugglers

It is a reflection of the instability here that Britain will refuse to put the money directly into Uganda, preferring to pay companies in Britain to do the necessary tasks.

For Uganda is broke, plagued by corruption, political intimidation and murder. Coffee, the cash crop that once made Uganda wealthy, is now so much in the hands of smugglers that legal sales bring in scarcely enough to pay Uganda's monthly petroleum bill. The country was the fifth largest exporter of coffee in the world in the 1970s, and early in that decade the central bank had a surplus of \$20 million.

Four political parties have a stake in the election, the most prominent of which is the Uganda People's Congress led by former President Milton Obote, who led the country from 1962 until 1971, when he was overthrown by Field Marshal Amin. The ruy of Tanzania, where Mr. Obote spent nine years in exile as a friend and confidant of President Julius Nyerere, overthrew the field marshal in April, 1979.

Mr. Obote's military connections, un deep, and many Ugandans feel that, if he is successful at the polls, will largely be because of those connections. The head of the Military Commission, Paulo Muwanga,

is in Mr. Obote's camp. The head of the 6,000-man Uganda National Liberation Army, Brig. David Oyite Ojok, is an Obote man. The 10,000 Tanzanian soldiers still in the country are widely referred to as "Obote's thugs."

In fact, all of Uganda is a dizzying array of armed factions. Roadblocks are everywhere, manned by Tanzanian police in khaki, Ugandan police in blue uniforms and village militias in sweaters with patches on the shoulders, bearing automatic weapons. Anti-Obote forces suggest that, since the Military Commission has to approve the issuance of arms to village militias, only pro-Obote areas are given weapons. Mr. Obote's lieutenants reject the charge.

However, while the other three parties have called for the use of outside observers to assure fairness in the elections, Mr. Obote's party has argued against such a step.

At a rally last Saturday in Mor-

Libyan Aid Said To Have Started Moro Rebellion

LONDON, Aug. 26 (UPI) — The money and arms that launched the Muslim rebellion in the Philippines eight years ago came from Libya, with help from some Malaysian authorities, a former British ambassador to the Philippines said yesterday.

Alex Turpin, who served in Manila from 1972 to 1976, said the uprising has claimed 60,000 lives and uprooted 250,000 people. The best hope for stability, he said, lies in continuance of rule by President Ferdinand Marcos.

Mr. Turpin gave this assessment in a study of the Philippines' role in Asian strategy published by the Institute for the Study of Conflict, a private organization founded in 1970 to examine the causes of political instability and subversion. In discussing the financing of the Moro Liberation Front in the southern Philippines, he said rebel leader Nur Misuari has spent most of his time in Libya in recent years.



TO THE RESCUE — Brazilian security agent rescues Gen. Milton Tavares after the army commander succumbed to the heat in presiding over Soldier Day ceremonies in Sao Paulo.

Old Guard to Resign Government Posts

China Congress Seen Endorsing New Rule

By James P. Sterba

PEKING, Aug. 26 (NYT) — In China, old rulers never fade away, they just die in office or get purged in power struggles. That is, until the National People's Congress convenes this Saturday.

In what Chinese leaders have said will be an epochal session, 3,000 delegates to the congress, which is China's parliament, are expected to endorse formally the transfer of governmental power, if not ultimate authority over China, from a group of aging revolutionaries to a new generation of practical-minded administrators.

Hua Guofeng will resign as premier, according to Chinese officials, and six deputy premiers will also resign from their government jobs. These include Deng Xiaoping, who reportedly has organized the event as a precedent to future leaders for avoiding the wrenching political turmoil that has blocked China's quest for development so often in the past.

To ensure that the transition goes smoothly and that China's ambitious modernization program proceeds, Mr. Deng and his cohorts of pragmatists are expected to retain their positions as deputy chairmen in the Communist Party, controlling the party's Politburo for the time being. To display unity, Mr. Hua is expected to keep his job as chairman of the party, for which he was handpicked by the late Chairman Mao.

But for Mr. Hua, who is relatively young among the present Chinese leaders at the age of 59, the party's top post may become largely ceremonial. With changes promulgated by Mr. Deng and designed to separate party and governmental functions, Mr. Hua is likely to find himself outvoted by Mr. Deng's majority in the party Politburo.

Already, China's new generation of leaders is in place. The National

People's Congress and the Communist Party Congress, which is scheduled for December, are supposed to accede formally through voting — some say rubber-stamping — the changes.

At the two congresses, and with the trial of the "Gang of Four" in between, Mr. Deng and his associates have said they hope to set China on a new course. The introduction of systems of collective rule and scientific management are deemed necessary to pull China out of the stagnation that resulted from Mao's theory of continuous revolution.

It will not be easy, because millions of party bureaucrats who were promoted through the old system in which party loyalty determined advancement, rather than the new criteria of talent and skills, continue to hold their posts.

They have resisted a host of revolutionary edicts from the top calling for such changes as rewarding workers on the basis of work, not need; promotions based on talent, not loyalty; production incentives based on free enterprise and market forces instead of centrally directed quotas, and creativity and experimentation rather than rigid adherence to party rote.

In preparation for the transfer of governmental power, China's new generation of leaders has quietly assumed day-to-day operation of both government and party. All are close associates of Mr. Deng.

Zhao Ziyang, an energetic 61-year-old innovator who ran Sichuan, China's most populous province, until last April, is expected to replace Mr. Hua as premier. Wan Li, a 64-year-old bridge partner of Mr. Deng, will be No. 2 in the government. Mr. Wan headed Anhui, China's poorest province, where he carried out a farm-modernization program.

Across town at the party headquarters, Hu Yaobang, another associate of Mr. Deng, has taken charge of the day-to-day party apparatus.

China's leaders, including Mr. Hua, have been preparing the nation to accept the verdict, supposedly to be presented to the party congress in December, that Mao was a great revolutionary but a very poor administrator who should be blamed for the failures of both the Great Leap Forward of the 1950s and the Cultural Revolution of the 1960s.

Instead of blaming the Gang of Four, which included Mao's wife, Jiang Qing, and fellow radicals who have been castigated for almost all

Brezhnev Ready To Negotiate on Medium Missiles

BONN, Aug. 26 (AP) — Soviet President Leonid Brezhnev has written to Western heads of government expressing his willingness to negotiate reductions in medium-range nuclear missiles, West German officials said today.

Chancellor Helmut Schmidt, Norwegian Premier Einar Norheim and others received copies of the letter, the officials said. Other recipients were not identified and it was not known if President Carter had received one of the letters.

West German Foreign Minister Hans-Dietrich Genscher was expected to discuss the Brezhnev communication with U.S. officials during a visit to the United States. Mr. Genscher left for New York earlier today to attend a United Nations session.

During Mr. Schmidt's visit to Moscow in June, Mr. Brezhnev said he was willing to negotiate reductions in medium-range missile forces regardless of whether the West renounces its decision to deploy such weapons in Western Europe.

NATO agreed in December to deploy Pershing-2 and Cruise missiles in West Germany and elsewhere to offset Soviet superiority in the field.

Picasso Work Recovered

MEXICO CITY, Aug. 26 (AP) — A Picasso oil painting, "Poire, Verre et Citron," stolen a month ago from the Carrillo Gil Museum here, has been recovered, police said. It was painted in 1922 and valued at \$90,000.

Photo Censored, Prohibitive Law Passed

India Sensitive to Reporting of Clashes

By Stuart Auerbach

NEW DELHI, Aug. 26 (WP) — While insisting that there is no censorship in India, the government has shown unusual sensitivity to press coverage of Hindu-Muslim clashes that have rocked this country for almost two weeks by refusing to transmit a United Press International photo and seizing copies of a Hindi language newspaper.

At the same time, the largely Moslem state of Jammu and Kashmir on the Pakistan border, where clashes between the Indian Army and residents there occurred last month, issued strict rules against inciting riots that carry penalties for offending newsmen that could go as high as life imprisonment.

This is the first blow against freedom of the press, said Ajay Singh, the chief editor of the Hindi language weekly, Asli Bharat (Real India), which was seized by police because of its coverage of Moslem-Hindu clashes in Moradabad, where more than 100 died.

Prime Minister

Prime Minister Indira Gandhi signaled her belief that the Indian press owed its first loyalty to the country in a speech last week to newspaper editors in which she asked: "Do you want to build our country? Is it more important to secure scoops? What are your priorities?"

Mrs. Gandhi imposed strict censorship on Indian press and foreign correspondents during her 17 months of emergency rule that was ended when she was defeated for reelection in March, 1977. After being out of power for 33 months, her Congress-1 (for India) Party won a landslide victory last December.

India's principal information officer, Wilfred Lazarus, insisted that there was no censorship "as far as the government of India is concerned."

He said that the UPI photo, showing three pigs rooting around a shroud-covered corpse in Moradabad, was not transmitted by the government's overseas communications center because it violated laws against inciting riots.

The Moradabad riots started Aug. 13, when a pig — considered unclean by Moslems — was reported to have run into a Moslem prayer area. Police, largely Hindu, did nothing about it and the Moslem-police clashes later enlarged to full fledged Hindu-Muslim communal riots and spread to other parts of the country.

Besides being worried that the riots would spread even further through India's Moslem population — the third largest of any nation — officials of the Gandhi government feared the disturbances would hurt its image with the oil-rich Islamic countries of the Gulf that it has been cultivating for years.

Mr. Lazarus, in explaining how a photograph being transmitted outside the country could incite Indians to riot, acknowledged that the government was concerned that it could "alienate" Moslem countries.

Moreover, India filed an official protest with the government of Pakistan over press coverage there, which called the riots an anti-Moslem "pogrom" by Hindus, and what New Delhi considered interference by Gen. Mohammed Zia ul-Haq, president of Pakistan, who called a high level meeting in Islamabad to discuss India's communal riots.

Domestically, Mrs. Gandhi was clear in calling on India's editors to show restraint in the coverage of communal riots, which are often

coily described as clashes between minority and majority groups instead of spelling out that they are Hindu versus Moslem.

She said that there were some areas where "it is obvious that the press is playing a major role not to bring peace and quiet but to excite people."

In what many observers here took as an ominous warning, she asked if freedom of the press "is more important than freedom of the country."

The only weekly newspaper seized, Asli Bharat, is published by an organization closely linked to the opposition Lok Dal Party. Police said they seized the paper Saturday night because of "objectionable photographs of corpses" in Moradabad.

Ajay Singh, the editor of the paper, who, along with publisher O.P. Meherotra, posted bond in anticipation of criminal charges being filed, called the seizure of the paper "a clear case of political vendetta."

He said that all the pictures in the paper had already appeared in other publications and that the thrust of the main page-one story was an appeal for communal peace.

U.S. Says Texaco May Pass Taxes On to Consumers

WASHINGTON, Aug. 26 (NYT) — The government has apparently decided to insist that oil companies be allowed to pass along to consumers any state-imposed sales taxes.

In a ruling yesterday, the Department of Energy told Texaco it did not have to absorb a 2-percent gross earnings tax imposed by Connecticut and that it could include the tax in the prices paid by motorists.

Other oil companies are understood to have applied for similar exemptions, which presumably will be approved.

New York state also has such a tax, which seems likely to be undercut by yesterday's decision. The state had expected to begin collecting a 2-percent tax on gross receipts in October, retroactive to last Jan. 1. The ruling may also discourage other states from enacting special oil industry levies.

In normal market conditions, passing such a tax through to consumers would raise the price of gasoline by a few cents a gallon. As long as the current oversupply continues, however, companies may decline to impose the increase.

The ruling was said to be the first exception to an Energy Department rule adopted in 1973 to prevent oil companies from passing through incremental costs in a way that discriminated among their own retail outlets and other customers.

Indonesia Plane Crashes

JAKARTA, Aug. 26 (AP) — A plane of Indonesia's domestic airline, Bouraq, crashed east of Jakarta today, killing 31 persons, airport sources said. The sources blamed the crash of the Vickers Viscount on engine failure.

The Management of Foreign Exchange Risks

Paris October 13-14

New York November 24-25*

Jean-Yves Haberer, Director of the French Treasury, and Filippo Maria Pandolfi, Minister for the Treasury of Italy and Chairman of the IMF Governors Committee on the International Monetary System, will be featured speakers at the fifth International Herald Tribune/Forex Research conference on the "Management of Foreign Exchange Risks," to be held October 13 and 14 at the Paris Hilton.

Designed to assist senior executives in solving the complex foreign exchange problems they encounter daily, this two-day working conference will include presentations by Financial Directors and Treasurers of some of Europe's most important corporations: Unilever, IBM, Saint-Gobain-Pont-à-Mousson, Occidental Petroleum, Renault, Electrolux, Gasunie, Dow Chemical and Pechiney Ugine Kuhlman.

They will discuss specific techniques for managing currency exposure (debt versus forward markets, netting, measuring results, dealing with trading rooms, the role of timing, etc.) as well as such overall policy questions as centralization versus decentralization of foreign exchange exposure.

Of special interest as the U.S. presidential elections approach will be a speech by Robert Solomon of the Brookings Institution on the outlook for the world economy.

The international monetary system will be a major subject of discussion, with Mr. Haberer speaking on the EMS. Mr. Pandolfi on reserve asset diversification, and Walter Seipp, Vice Chairman of West-deutsche Landesbank, on the role of the Deutschmark.

The conference will close with a forecast for the major currencies by Forex Research.

Each speech will be followed by a question and answer period, and simultaneous English-French translation will be provided.

Make sure your company is represented at this important international conference. Complete and return the registration form below today.

*A similar conference will be held in New York on November 24 and 25, featuring Henry Wallich of the U.S. Federal Reserve Board and the Right Honorable Edward Heath, M.P. Write to the International Herald Tribune conference office at the address below or phone Paris 747.12.65 for details.

27-8-80

CONFERENCE REGISTRATION FORM

Please enroll the following participant for the conference to be held October 13 and 14, 1980 in Paris.

Fees are payable in advance of the conference. Each participant: FF 3,000 or the equivalent (plus 17.6% TVA for registrations from France). Fees will be returned in full for any cancellation that is postmarked on or before September 29, 1980.

☐ Please invoice ☐ Check enclosed

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HOTEL RESERVATION FORM

Please reserve accommodations for nights of October 12 and 13:

☐ Single (FF 325 per night + 22% tax)
☐ Double (FF 375 per night + 22% tax)

A block of rooms has been reserved for participants at preferential rates on a first-come, first-served basis. Reservations must be received by October 6 with a check for the first night.

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BUSINESS NEWS BRIEFS

Fairchild, VSI to Merge

GERMANTOWN, Md., Aug. 26 (Reuters) — Fairchild Industries and VSI Corp. have agreed to merge VSI into a wholly-owned Fairchild subsidiary in a transaction worth \$280 million in cash and stock.

The agreement requires the approval of the boards and shareholders of both companies.

The companies said Fairchild has agreed to pay \$45 a share in cash for about 2.7 million shares, or 42.4 percent of VSI stock outstanding, for a total of \$120 million.

The remaining 3.6 million shares, or 57.6 percent, of VSI stock will be exchanged for a newly-created Fairchild series 'A' convertible preferred stock with conversion and dividend features designed to produce a market value of \$45 a share.

Dresdner Bank Chief Sees Lower Earnings

FRANKFURT, Aug. 26 (AP-DJ) — Earnings of Dresdner Bank in the first half of 1980 were about a third below already unsatisfactory results of the year-earlier half, according to Hans Friderichs, management board chairman of West Germany's second largest bank.

Mr. Friderichs did not state half-year earnings but said he could not exclude that the bank may have to reduce its dividend for 1980. For 1979, Dresdner paid a dividend of 9 Deutsche marks.

Mr. Friderichs said that slight improvements in the interest spread and in earnings were expected from the second half but said these improvements would not be sensational.

Daimler to Take Majority Stake in Mevosa

MADRID, Aug. 26 (Reuters) — Daimler-Benz is to become the majority shareholder in the Spanish motor firm Mevosa, a spokesman for Spain's state holding company INI said.

He said the West German auto manufacturer will increase its stake in the firm, which produces light industrial vehicles and diesel car engines, to at least 52 percent by buying up a new share issue. Daimler-Benz and INI each own 45.6 percent of Mevosa with the remaining shares spread among a number of banks.

Under the agreement, scheduled for signing here next month, Daimler-Benz will invest about \$70 million over the next three years in Mevosa, the spokesman said.

Japan Car Sales Up in W. Germany

FLensburg, West Germany, Aug. 26 (Reuters) — The Japanese share of West Germany's shrinking car market has risen sharply, according to figures issued here today.

The federal motor office said Japanese car manufacturers took 9.5 percent of the market in the first seven months of this year against 5.1 percent for the year-ago period.

Japanese sales were 151,400, while the West German market as a whole contracted to 1.6 million from 1.8 million units. Toyota achieved the highest import share of the market with 2.3 percent, or sales of 36,700 units, in the first seven months of this year, compared with 1.2 percent and 21,300 units, the office said.

Rolls-Royce Explores New Turbo-Prop

LONDON, Aug. 26 (AP-DJ) — Rolls-Royce (1971) is examining prospects for a new turbo-prop engine, Donald Pepper, vice-chairman of the company, said today citing the fuel efficiency of such engines.

Mr. Pepper said engines of up to 5,000 horsepower may be developed to power 100-seat airliners.

There has been growing interest in turboprops. Part of the reason has been the sharp rise in the price of aviation fuel, which turbo-props use more efficiently than jetliners. But another important factor has been the deregulation of the U.S. airline industry that has brought forth small airlines that have begun competing for some routes with turboprops.

Toyota Sales, Profits Soar Despite Slump Elsewhere

TOKYO, Aug. 26 (AP-DJ) — Toyota Motor, Japan's largest auto manufacturer, announced today record sales and net profits in the fiscal year ended June, primarily because of foreign exchange gains.

Officials said net profit jumped 40.7 percent to 143.57 billion yen (\$654 million) on an 18.1-percent gain in sales to 3.31 trillion yen.

The previous profit record was 116.78 billion yen set in fiscal 1976. The prior record sales figure was 2.8 trillion yen in fiscal 1978.

Toyota officials attributed the brisk fiscal 1980 earnings performance chiefly to foreign exchange gains, which they said amounted to about 90 billion yen. The sales increase brought in 58 billion yen and corporate cost reduction efforts resulted in a gain of 16 billion yen.

On the other side of the ledger, however, were rising costs of electricity, materials and parts as well as higher personnel expenses stemming from wage increases. Officials said those amounts to about 89.1 billion yen.

During the latest fiscal year, they said, vehicle sales were 3.25 million units, up 13.6 percent from the 2.86 million units sold during the preceding year. Exports accounted for 1.681 million units in fiscal 1980.

While domestic sales for the 12-month period dipped 5.2 percent, exports went up 39.3 percent, company President Eiji Toyoda said. The result meant that Toyota exported as many vehicles as it sold in the home market during the period.

Toyota production makes it the world's second largest carmaker after General Motors. For the current fiscal year, Toyota is forecasting net sales of 3.5 trillion yen and vehicle sales of 3.45 million units, despite the slump hitting the world's auto industry. Officials said it is difficult to predict with certainty the outlook for profits because of such uncertain factors as exchange rate fluctuations.

Mr. Toyoda predicted that exports of the company's cars to the United States would continue the pace of the previous six months, but stressed that the company would not increase its shipments to the United States during the remainder of 1980 from the level in the first six months. There has been growing resentment within the U.S. car industry over a surge in imports of small, fuel-efficient Japanese cars, at the same time that U.S. firms' sales are falling.

Toyota shipped 372,000 vehicles to the United States in the first six months, some 25 percent more than in the year-earlier period.

Mr. Toyoda qualified his prediction on reduced shipments by saying clear-cut forecasts were difficult because of a higher U.S. import levy on partly-finished small trucks. This could bring the closure of Toyota's U.S. manufacturing plant, the company has said.

The anticipated volume would represent a 19 percent growth from 1979, industry sources said. Toyota officials had earlier predicted a leveling off of exports to the United States to last year's level.

Mr. Toyoda said the sales forecast was based on continued popularity for fuel-efficient small Japanese cars in America. Another reason is that small car production by the major U.S. major auto makers still cannot fill consumers' demand, he said.

The sales forecast came on the heels of warnings by officials that the Japanese carmakers should "exercise restraints" in their exports to America to avoid official retaliation from Washington.

The U.S. auto industry and labor leaders have filed a petition with the U.S. International Trade Commission seeking official relief from the fierce Japanese competition, and Tokyo government officials have expressed concern that Washington may be forced to take some action in this presidential election year.

One of four cars now sold in the United States comes from Japan, and the U.S. industry blames the Japanese competition for massive layoffs in its and related industries.

Brascan Bid To Superior Is Rejected

Offer on Mining Firms Finds No Interest

By Robert J. Cole

NEW YORK, Aug. 26 (NYT) — A \$380-million takeover bid by one branch of the Bronfman family of Canada for both McIntyre Mines and Falconbridge Nickel Mines apparently collapsed yesterday — less than a week after it began.

The proposal appeared dead after Superior Oil Co., which has a controlling interest in both Canadian mining companies, told Bronfman representatives that it was "not interested."

Analysts here and in Canada said privately that they were perplexed by the offer, particularly because they were unable to see how it could succeed without Superior's cooperation.

In a separate development, now that Superior has built up its holdings in McIntyre to 54 percent, McIntyre shareholders are scheduled to vote soon on a full merger between McIntyre and Canadian Superior Oil, Superior's Canadian subsidiary. Terms, announced in June, call for Superior to exchange, in effect, one of its shares for each 2.5 McIntyre shares. At the time Superior sold for \$160 a share, making the offer worth about \$64 per McIntyre share. Now, with Superior selling for \$180, the offer is worth \$72 a share — still far less than the new offer.

The latest overture became public early yesterday, when Superior announced that it had received an unsolicited proposal from Brascan, a giant Canadian holding company now controlled by Edward and Peter Bronfman, cousins of Edgar Bronfman, board chairman of Seagram, the liquor company.

It is understood to have been made late last Thursday — and immediately rejected — when Trevor Eytton, president of Brascan, personally called on Joseph Reid, president of Superior in Houston. Brascan followed the next day with a proposal in writing — also rejected. Brascan, according to Superior, had offered to pay nearly \$95 a share for Superior's 54-percent interest in McIntyre and then extend the offer to McIntyre's minority holders. That deal alone, if successful, would involve \$348 million.

Superior said: Brascan also offered to pay \$113.95 a share for the company's 5.6 percent of Falconbridge — worth about \$32 million at that price — if Brascan was not obligated to make the offer to Falconbridge's other shareholders.

Superior's management informed Brascan prior to receipt of a written proposal that it was not interested in selling Canadian assets, Superior said.

Industry sources speculated that one Brascan aim might be to seek control of Falconbridge by first acquiring McIntyre. Falconbridge is a leading nickel and copper producer, and McIntyre is a leading producer of metallurgical coal. Superior's controlling interest in both seemed to make that possibility extremely implausible without Superior's support.

Pressure on Superior
Other sources maintained that even if Brascan failed in acquiring either company, it succeeded in putting considerable pressure on Superior to sweeten its McIntyre merger terms in an effort to get stockholder approval. Superior's directors are understood to have added this issue to a special meeting scheduled for this Friday.

In addition to Superior's 54-percent controlling interest in McIntyre and 5.6 percent of Falconbridge, McIntyre owns 36.8 percent of Falconbridge, while Falconbridge owns 4.8 percent of McIntyre. Therefore, Superior controls 58.8 percent of McIntyre and 42.4 percent of Falconbridge.

Bidermann: Clothes King

By Susan Heller Anderson

PARIS (NYT) — Yves St. Laurent, Calvin Klein, Daniel Hechter and Ralph Lauren are all familiar names. But Maurice Bidermann? Yet it is Mr. Bidermann who manufactures the men's clothing sold under these labels, with the exception of Ralph Lauren, for whom he makes women's wear.

Exceptions are the rule for Maurice Bidermann, 45 years old, an American-style self-made man who has propelled a \$1-million family business into a corporation that is expected to gross \$560 million in 1980, placing it among the top three clothing manufacturers worldwide. He employs 13,000-plus workers in 34 factories in France, the United States, Britain, Hong Kong, Shanghai and Hanoi.

"I learned to do business the American way, which is clear, hard-headed pragmatism," Mr. Bidermann said. He has built his empire by taking over small, founding factories and streamlining them to cost efficiency by making uniforms and low-priced clothing. Thus, when couturiers began eyeing the potentially lucrative men's wear market, Mr. Bidermann was ready for production and delivery with a network of factories, a proven record and a reputation as a cut-throat competitor.

His modest beginnings are the stuff of B-movies. Born Maurice Zylberberg in Brussels he and his sister, Regine, a well-known Paris disco owner and singer, grew up in the poor Jewish quarter of Paris.

"My childhood was difficult," Mr. Bidermann said in his discreetly expensive office in the Paris garment district. "My father married several times. I never knew my mother." At 15 he ran away to join the Israeli Army. He has had little formal education.

Searching for employment when he returned to France in 1955, he entered the men's wear company owned by his uncle. "I took over right away," he recalled. "When I was 20 I ran the place." He changed his name to his uncle's.

For the next decade he learned the business and expanded cautiously. In the 1960s he became more audacious, purchasing larger factories that, each time, nearly doubled his size. "It was essential to



Maurice Bidermann

grow in order to attain a position in the industry," he said.

Not only did he manage to digest his new acquisitions but he was also soon able to move into markets outside France. His first export contract was making suits for the Soviet Union. As the contract was limited to two years, Mr. Bidermann looked for other, more stable, mass markets, notably the United States.

The era of licensing was just beginning. "A license is a contract of trust between the couturier and the manufacturer," explained Georges Jolles, the managing director of the Bidermann company. "The manufacturer pays for the work of the creator in royalties based on gross sales." Royalties average from 5 to 7 percent on men's suits and 5 percent on men's sportswear, according to Mr. Bidermann and other industry sources.

He first contracted to make suits for the U.S. licensee of Pierre Cardin and, when this agreement was terminated in 1973, he landed the license worldwide for Yves St. Laurent's men's wear. This plum now accounts for \$150 million of Mr. Bidermann's gross and nearly half of the U.S. subsidiary's total sales. "The association has worked remarkably well," affirmed Pierre Bergé, Mr. St. Laurent's business partner. "Bidermann techniques are very aggressive. Most French firms are not and we wanted to keep fabrication in France."

(Continued on Page 9, Col. 1)

Chase Raises Prime; NYSE Moves Lower

From Agency Dispatches

NEW YORK, Aug. 26 — A hike in the prime rate by Chase Manhattan and other large banks today depressed prices on the New York Stock Exchange. Trading was moderate.

The Dow Jones industrial average slipped 2.82 points to 953.41 in the final hour of trading.

Chase Manhattan, Marine Midland and Crocker Bank raised their prime lending rate to 11½ percent from 11¼ percent and other banks were expected to follow.

Yields on Treasury bills at yesterday's regular auction rose to their highest level since April 28.

There is fear the Federal Reserve will tighten credit soon to control the sharp increases in the nation's basic money supply.

NYSE volume amounted to about 41.8 million shares, up from the 35.4 million traded yesterday.

Prices were mixed in moderate trading of American Stock Exchange issues.

Analysts said the market appears to have entered a lull following the blistering spring-summer rally that pushed many averages to record highs and saw the Dow industrials jump more than 200 points.

Institutions apparently did much of the afternoon buying because they found some stocks trading at lower prices. Many institutions have delayed getting into stocks in the past few months and now are scrambling to avoid missing the rally.

Short covering, or the replacement of borrowed shares sold earlier, also helped the market at one time. A record 73.5 million shares were listed as sold in the latest reporting period and eventually have to be replaced.

There was little initial reaction to interest rates. But if the trend continued, this could put a dent in the rally.

Sony was one of the most active NYSE-listed issues because of a block of 194,200 shares at 12¼. The stock has been active for the past three weeks.

Tesoro Petroleum, which rejected a takeover bid by Diamond Shamrock, was active and higher most of the day.

Esmark was slightly higher and Mobil Corp. was lower in trading that included a block of 122,700 shares on the Midwest Stock Exchange. Esmark agreed to sell its Transocean Oil unit to Mobil for \$740.1 million.

Saudis Reported to Eye Oil Price Index

PARIS, Aug. 26 (UPI) — Saudi Arabia has proposed a plan under which the Organization of Petroleum Exporting Countries would change oil prices four times a year, international oil sources said today.

The sources said the proposal, backed by Sheikh Ahmed Zaki Yamani, the Saudi petroleum minister, who is seeking its formal approval at the Baghdad summit OPEC in November.

According to the sources, the plan calls for review of OPEC prices every three months based on fluctuations of the currencies, inflation in major Western countries and the rate of economic growth in those nations.

Although long-term strategy may not be formally on the agenda when OPEC ministers meet in Vienna next month to consider increasing the present "marker" price of \$32 a barrel for OPEC crude as well as plans for the summit, sources said the Saudi plan may come under discussion then.

But oil sources said the plan is not likely to get widespread support.

They said that under some economic conditions such a plan could

call for lowering prices instead of regular increases each three months. Hard-line OPEC states can be expected to oppose any chance of lowering prices, they said.

Meanwhile, Mana Said Oteiba, the United Arab Emirates oil minister, said in an interview published today that the UAE will cut its production if confronted by pressures to bring down its crude oil prices.

He did not indicate the size of the possible cutback but said such a measure would be essential to maintain the country's oil prices.

Texaco Claims Major Oil Find

WHITE PLAINS, N.Y., Aug. 26 (AP) — Texaco announced today a major oil discovery 200 miles northeast of Edinburgh in the U.K. sector of the North Sea.

Texaco said the discovery was its third in the same block — an area in which the company has the right to explore for petroleum — designated 14-20. The new find was designated 14-20-12. Texaco recently installed a platform in an adjacent block to bring an earlier discovery into production.

The world's fifth-largest oil company said the discovery yielded a flow of 6,136 barrels a day of oil of similar quality to the major grade produced by Saudi Arabia, the largest member of the Organization of Petroleum Exporting Countries. Comparable-quality North Sea oil from Norway sells for \$34.25 per 42-gallon barrel, \$6.25 above the Saudi price.

Texaco said drilling operations at the site "have been suspended to allow for possible completion as a producing well" in the future. But the company said it is drilling a new well north of the find to evaluate the extent of oil deposits in the block.

CURRENCY RATES

Interbank exchange rates for August 26, 1980, excluding bank service charges

	\$	£	D.M.	F.F.	L.L.	Sw.	R.F.	S.F.	D.K.
Amsterdam	1.660	4.660	118.875	46.89	0.2225	Sw.	4.820	118.86	28.880
Brussels (a)	26.91	46.95	14.027	4.923	3.728	14.705	—	17.24	5.1915
Frankfurt	1.8045	4.200	—	42.88	2.189	71.78	6.244	108.25	32.28
London (b)	2.2170	—	4.26158	9.9411	2.0343	4.079	48.49	5.822	12.22
Munich	82.20	2.0230	0.519	24.55	—	46.83	39.67	57.99	183.92
New York	—	2.3803	0.5559	0.2394	0.1700	—	0.5102	0.0348	0.6203
Paris	4.1905	1.9450	22.426	4.8700	—	213.30	14.738	251.00	35.46
Zurich	1.6448	2.0573	92.2544	39.975	0.1942	14.705	5.1011	29.8807	—
ECU	1.6826	6.999	N.A.	6.8803	1.2022	2.781	5.2593	3.2346	7.8096

	\$	U.S.	£	U.S.	Sw.	U.S.	Per	U.S.
Belgium fl. franc	0.0241	—	1.250	0.200	—	0.2012	—	3.220
Canada	0.8225	—	1.250	0.200	—	0.2012	—	12.705
Danish krone	0.1775	—	5.570	0.010	—	0.0085	—	2.1345
Drachma	0.0220	—	42.85	2.728	—	0.2264	—	4.1710
Escudo	0.0200	—	49.200	0.2056	—	0.2711	—	2.690
Fin. mark	0.0736	—	3.4685	0.0107	—	0.0064	—	219.57

(a) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

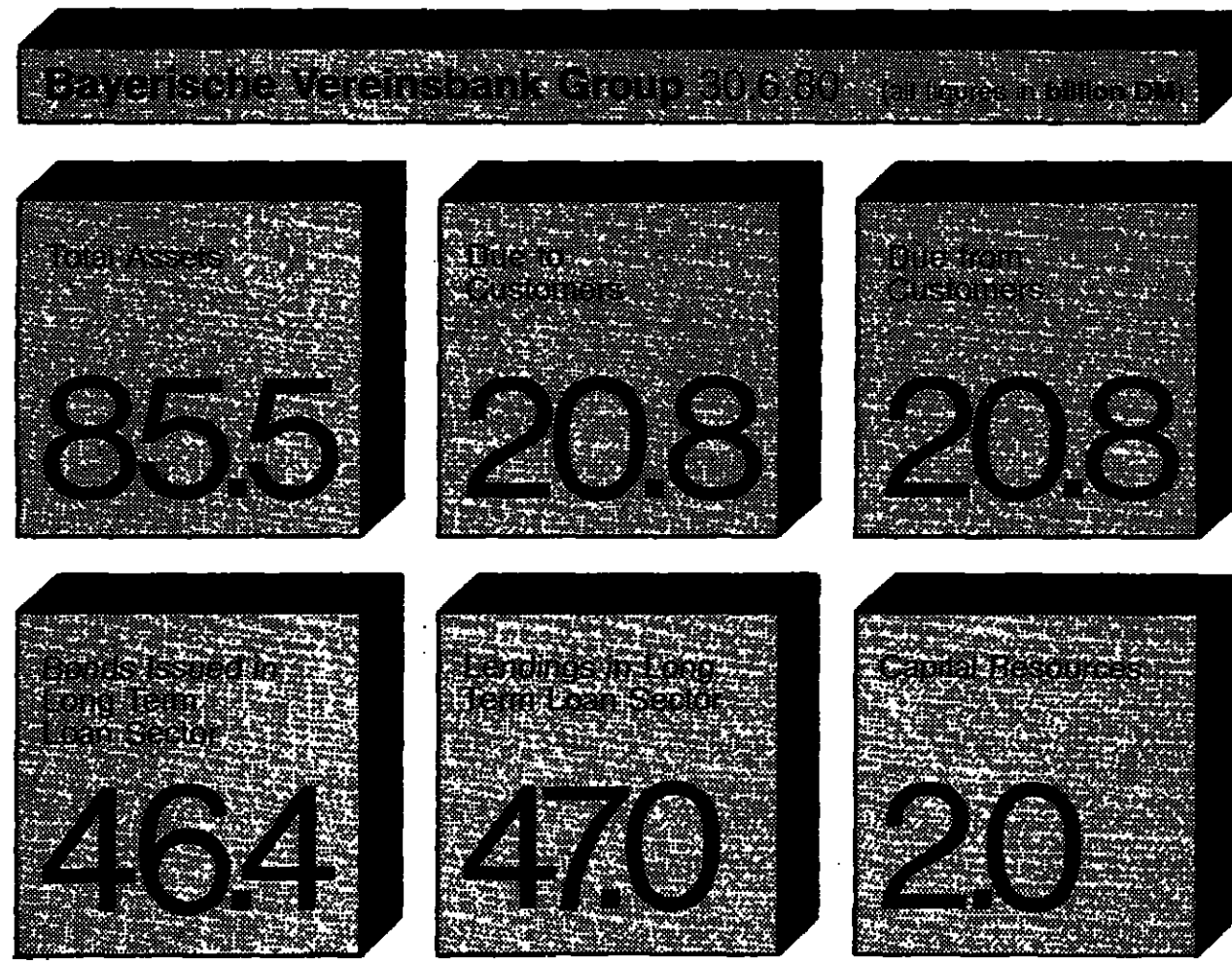
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Tables include the nationwide prices up to the closing on Wall Street

Canadian Indexes

August 26, 1988

August 26, 1980

Value quotations shown below are supplied by the Fund of some funds whose quotes are based on issue prices. The dots indicate frequency of quotations supplied for the IRT (m)—monthly; (r)—regularly; (i)—irregularly.

Closing Prices, August 26, 1980

[illegible]

BAER & CO. LTD.
SF 684.60 (w) Trustar Int. Fd (AEIF)
SF 692.00 (w) Bondselex - Issue Pr.
SF 704.00 1w) CAMIT.

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CLASSIFIED ADVERTISEMENTS

(Continued from Back Page)

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Geneva Guide Service, Tel 20 39 35.

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SW3, Tel 01-284 6515/27 or 412
LONDON - **CHSELA GOLF** Escort Service,
Tel 01-402 4000, 01-402 4008 01-402
402 0862.

LONDON - MAYFAIR Escort Service, 12 noon
to 12 midnight, Tel. London (071)
235 1158.

VIENNA - MICHELLE Escort Service,
Tel 57 47 64.

VIENNA - MONOMOY Escort Services,
Tel 92 21 41 after 3 pm.

ZURICH - Tel 0049-4103-8204-08.

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Simons Escort Service, 0121-84666-6
LONDON - **CHSELA GOLF** Escort Service,
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FRANKFURT - MANIA Austrian Escort
Service, Tel 069 21 7700.

FRANKFURT - WEISSBARD - MAHNZ
Simons Escort Service, 0121-84666-6
LONDON - **CHSELA GOLF** Escort Service,
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LONDON - CHSELA GOLF Escort Service, Tel
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SERVICE, Tel 011 254 56 56.

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vices, Tel 012 402 7949.

LONDON - JACQUELINE Escort Ser-
vices, Tel 012 235 1863.

LONDON DAHLIA'S Escort Service, Tel
011 235 1863.

LONDON JAMIE Escort Service, Tel
228 53 14.

BRITA DASH Guide Service, Tel
231 1158, London Z39 1961.

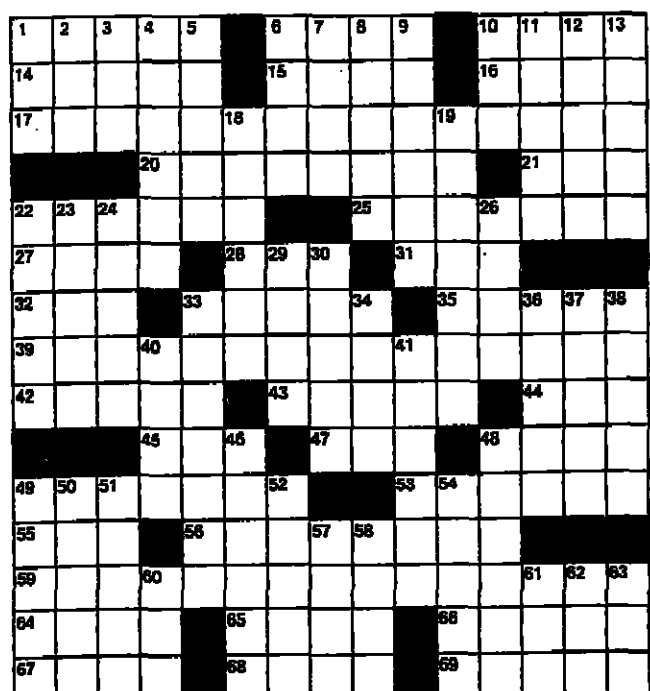
CHATELLE Escort Service, 12 am,
10 midnight, London Z31 1158.

CHATELLE Escort Service, 12 am,
10 midnight, London Z31 1158, English
Universal Escort Service, 232 2308.

SUEK London Escort Agency, Tel (01)
231 1158.

AMSTERDAM-See the Escort Service,
222785 Berlin Weinbergstrasse 3, 5.
AMSTERDAM-See the Escort Service, 3-5,
Museumplein 222785 Berlin.

CROSSWORD By Eugene T. Maleska



- ACROSS**
- 1 Marry on the run
 - 6 Former movie vamp
 - 10 Teen-age woe
 - 14 Kind of orange
 - 15 "The Love"
 - 16 Mother of Hermes
 - 17 Retrench
 - 20 Royal pawn of jewels
 - 21 "I've You Under My Skin"
 - 22 Rantle
 - 25 Homilies
 - 27 Wood sorrels
 - 29 Capek drama
 - 31 Location for rejuvenation
 - 32 High, in music
 - 33 Ails not for pairs
 - 35 Forster's "A Passage to..."
 - 39 Give up
 - 42 Play a banjo
 - 43 Cattle
 - 44 "...sum?" (stunned Roman's question)
 - 45 Ennis or Crandall of baseball
 - 47 So far
 - 48 Mimicked
 - 49 Ballerina's need
 - 53 Deter
 - 55 Where its. are made
 - 56 Excel
 - 59 Give up
 - 64 Apres juillet
 - 65 Marquis de
 - 66 River in SE Kenya
 - 67 Tilt
 - 68 "...est percipi" (Berkeley principle)
 - 69 French legislative body
 - 10 One of a Latin trio
 - 11 Freight
 - 12 Smooth, sheer fabric
 - 13 Bridge positions
 - 18 Restricted
 - 19 Clarsach player
 - 22 Newborn Clydesdales
 - 23 Acclaim
 - 24 Sylvan deity
 - 25 Give a horse a...
 - 29 Arm bone corresponding to the fibula
 - 30 Capacious
 - 33 By hook or by crook
 - 34 Snicker attachment
 - 36 One-seeded fruit
 - 37 Enclose closely
 - 38 Stage play
 - 40 Flops
 - 41 Complete
 - 46 Lake near Banff
 - 48 Place in juxtaposition
 - 49 Calculator's result
 - 50 Holy Roman Emperor: 962-73
 - 51 Tans
 - 52 Lab heaters
 - 54 Gear for Bench and Fisk
 - 57 Criteria: Abbr.
 - 58 Quaker pronoun
 - 60 Baseball Hall of Famer
 - 61 Ashen
 - 62 Perón or Gabor
 - 63 Abraham's nephew
- DOWN**
- 1 Windup
 - 2 Roman household god
 - 3 Eggs, to Caesar
 - 4 Lapwings
 - 5 Beethoven's "Für..."
 - 6 McNutt of comics
 - 7 Bancroft of films
 - 8 Spins
 - 9 Bridal paths

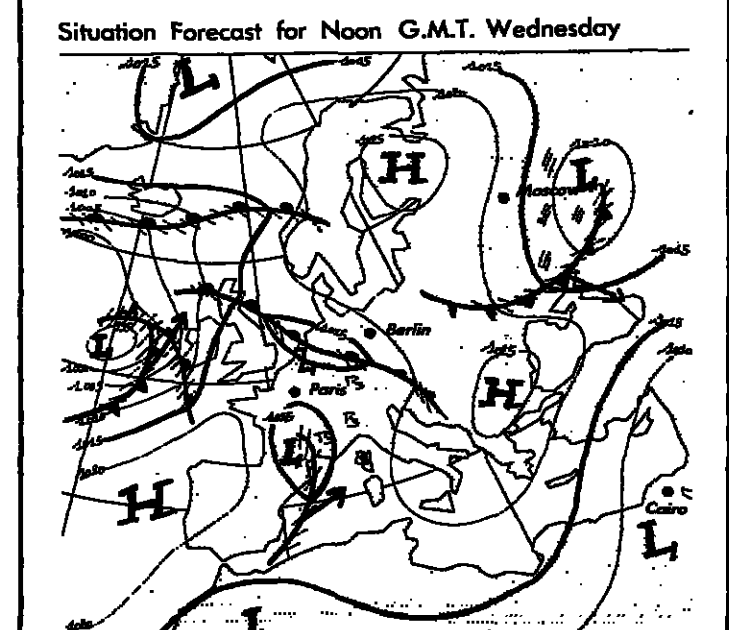
Solution to Previous Puzzle

PEST ITALIO FRAS
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OCEAN ABRE LEO
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DEER DEICE EVIL
OBER DATED CEDE

WEATHER

	C	F		C	F	
ALGARVE	22	72	Rain	MADRID	24	Overcast
AMSTERDAM	20	68	Cloudy	MILAN	23	Fair
ANKARA	26	79	Cloudy	MONTREAL	24	Fair
ATHENS	29	84	Fair	MOSCOW	14	Overcast
BEIRUT	30	86	Fair	MUMICH	19	Cloudy
BELGRADE	23	73	Fair	NEW YORK	22	Fair
BERLIN	17	63	Fair	NICE	25	Cloudy
BRUSSELS	20	68	Cloudy	OSLO	16	Fair
BUCHAREST	22	72	Fair	PARIS	17	Rain
BUDAPEST	21	70	Cloudy	PRAGUE	16	Fair
CASABLANCA	26	79	Fair	RIO DE JANEIRO	28	Fair
COPENHAGEN	14	57	Rain	ROME	19	Fair
COSTA DEL SOL	28	82	Overcast	SOFIA	19	Fair
DUBLIN	18	64	Foggy	STOCKHOLM	15	Overcast
EDINBURGH	16	61	Cloudy	TEHRAN	16	Fair
FLORENCE	28	82	Foggy	TEL AVIV	22	Fair
FRANKFURT	19	66	Fair	TOKYO	21	Showers
GENEVA	16	61	Foggy	TUNIS	22	Fair
HELSINKI	15	59	Overcast	VIENNA	17	Fair
HOUSTON	30	86	Fair	WARSAW	14	Showers
ISTANBUL	27	81	Fair	WASHINGTON	21	Fair
LAS PALMAS	28	82	Rain	ZURICH	21	Fair
LISBON	20	68	Rain			
LONDON	21	70	Fair			
LOS ANGELES	27	81	Cloudy			

Situation Forecast for Noon G.M.T. Wednesday



Thunderstorm
Rain
Snow
Front Movement

Warm Front
Cold Front
Occluded Front
Quasi-Stationary Front

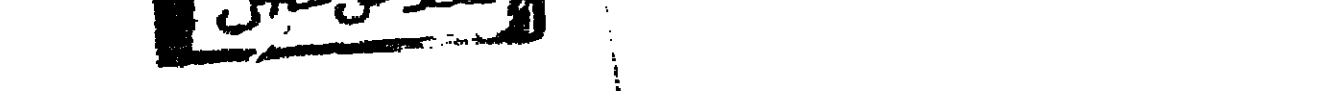
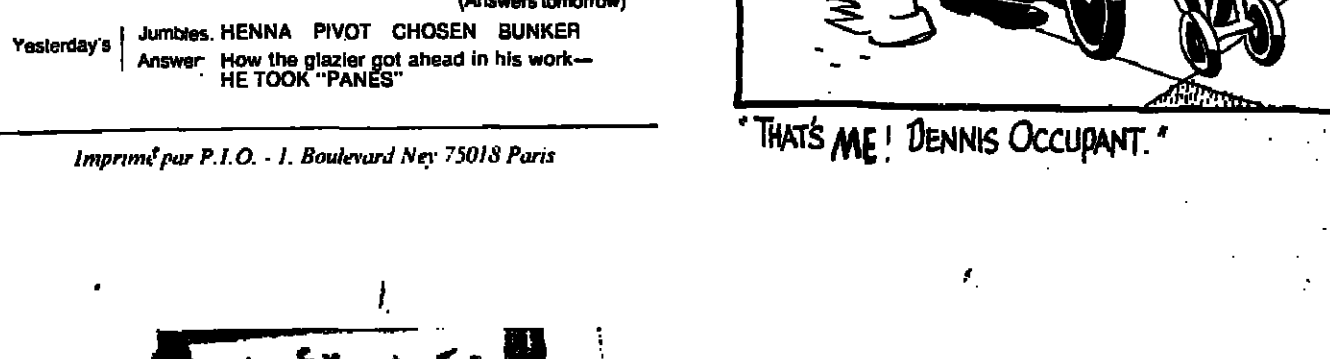
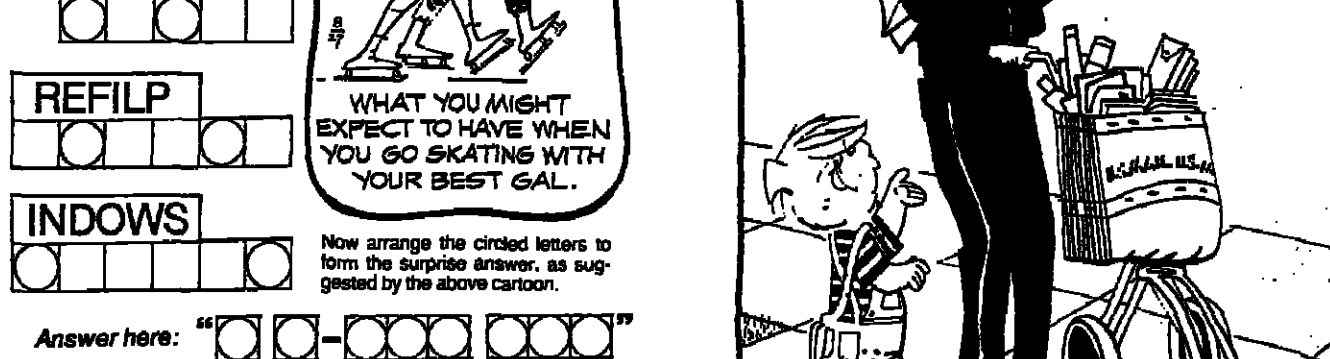
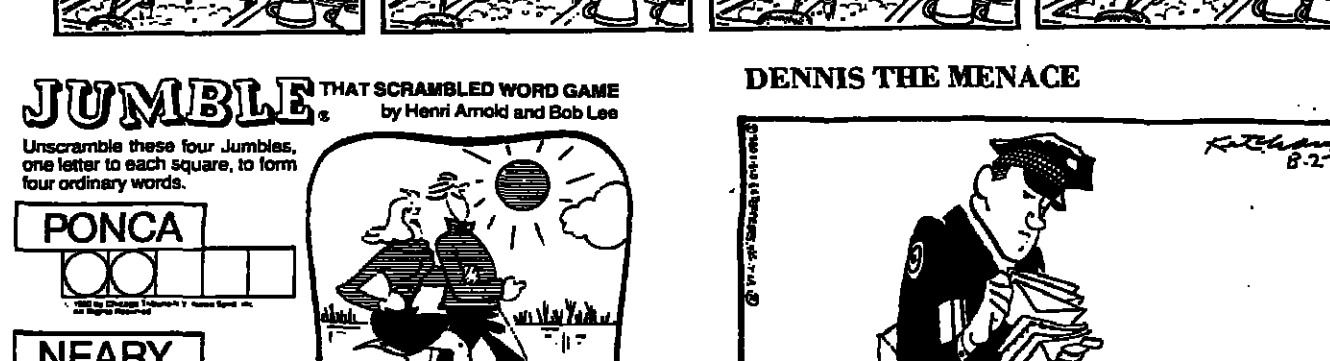
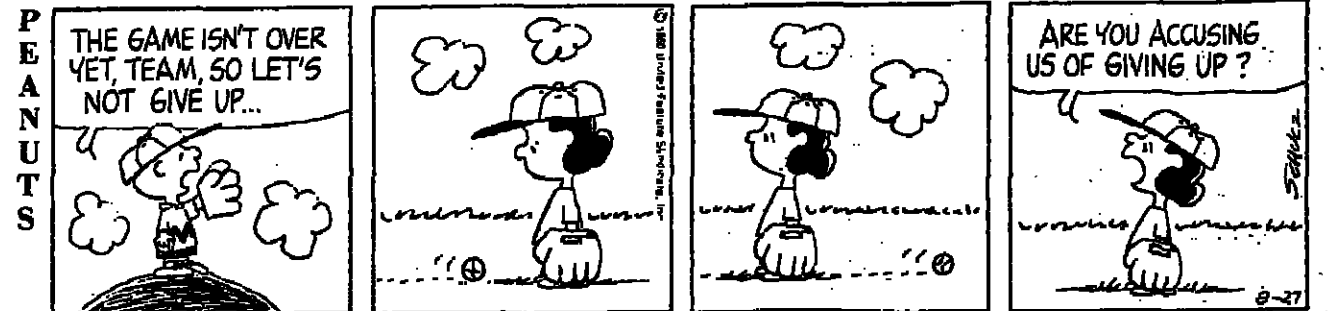
Efficient California Patrol Cars Too Slow to Nab Speeding Drivers

SACRAMENTO, Calif., Aug. 26 (UPI)—Speeding motorists are leaving the California Highway Patrol in a cloud of dust because its new cruisers lack zip.

The cruiser, the 1980 Dodge St. Regis, gets good gas mileage and is equipped with the latest pollution control devices. But, according to Commissioner Glen Craig, it cannot accelerate fast enough to keep up with rubber-burning scofflaws.

The Association of Highway Patrolmen said that one officer needed nearly 10 miles of highway to hit 92 mph. "It's the slowest, least powerful car the California Highway Patrol has ever had," said Curtis Voight, director of the association. "It's a dog. It just doesn't have any guts."

In an attempt to speed up the cars, Mr. Craig said, the patrol will seek permission for the state Air Resources Board to install turbochargers on the engines.



BOOKS

THE ORIGIN
A Biographical Novel of Charles Darwin
By Irving Stone. Doubleday. 743 pp. \$14.95.

Reviewed by Christopher Lehmann-Haupt

THE biographical novel may not be among the highest forms of literary art, but at least it offers the writer a chance to escape some of the strictures of conventional biography. To cut away cumbersome details, to hew to the dramatic core of a career and to invent key scenes of which there are insufficient records—these are only the most obvious opportunities offered by treating an actual life imaginatively. Yet for Irving Stone, who has made a substantial career out of fictionalizing the lives of such figures as van Gogh ("Lust for Life"), Michelangelo ("The Agony and the Ecstasy") and Freud ("The Passions of the Mind"), the biographical novel seems to afford a different sort of opportunity.

Judging at least from his latest book, "The Origin: A Biographical Novel of Charles Darwin," the form seems to give him a chance to exploit all the disadvantages of biography. For "The Origin" is longer, slower, more cumbersome and less dramatic than many nonfiction biographies I've read. In fact, when I finished it, I felt more exhausted than I had since reading Jasper Ridley's life of Lord Palmerston or even John Updike's "Voyager: A Life of Hart Crane."

In a way, you have to hand it to Stone. He can't have been such a simple matter to accumulate so much unnecessary detail. A less enterprising writer—an imaginative novelist, for example—would have been satisfied to write, when Erasmus Darwin pays his brother a visit shortly before the sailing of the Beagle on its historic voyage: "Erasmus was dressed expensively, though by no means foppishly, in a wide-lapelled wool coat and silk shirt. He looked tanned and well, if a little withdrawn." Sticking to significant details, as it were.

But Stone pumps up Erasmus' appearance to fill an entire paragraph. "Erasmus looked well, was dressed expensively, though by no means foppishly, in a wide-lapelled wool coat and waistcoat riding high on a tight white collar, and a beautiful silk shirt and black stock. He had a deep tan over his already swarthy complexion. His hair was thin at the center of his head, compensating tufts sprouting from either side like bird's wings. His eyes, dark and attractive, were withdrawn." Thus does a manageable narrative grow to almost 750 pages.

Nor can it have been easy to set such a slow and ponderous pace that it actually becomes necessary for Stone to remind us several times that time is passing. "The minutes and hours ticked by on the tall pendulum clock in the antechamber," he writes at one point. "The calendar leaves dropped off effortlessly as the leaves of the maples and elms. Time rushed by like a torrent; or sometimes stood as stagnant as a dry creek." Thanks to Stone's peculiar art, it mostly stands as stagnant as a dry creek.

Several times, I had to pinch myself as a reminder that "The Origin" is not the real thing, for it is really only the presence of imaginary dialogue that distinguishes this book from a conventional biography. For example, when various characters remark how beautifully Darwin writes, I was reminded of Arnold C. Brackman's recent claim in his "A Delicate Arrangement: The Strange Case of Charles Darwin and Alfred Russel Wallace" that Darwin had "a heavy-handed, abstract style open to conflicting interpretation."

Christopher Lehmann-Haupt is on the staff of The New York Times.

Best Sellers

The New York Times
This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

	Weeks on List
FICTION	
1. RAGE OF ANGELS, by S. J. Perelman	1
2. THE STRIKE, by Robert M. Coates	1
3. RANDOM WINDS, by S. J. Perelman	1
4. SINS OF THE FATHERS, by S. J. Perelman	1
5. THE BOURNE IDENTITY, by Robert M. Coates	1
6. FIRESTARTER, by Stephen King	1
7. PRINCESS DAISY, by Judith Kerr	1
8. KANE & ABEL, by Jeffrey Archer	1
9. THE NINJA, by Eric Van Lustbader	1
10. SOLO, by Jack Higgins	1
11. THE SECOND COMING, by Walker Percy	1
12. NOBODY'S DAUGHTER, by F. D. James	1
13. BELLEFLEUR, by Joyce Kilmer	1
14. GREEN MONDAY, by Michael Thomas	1
15. MURDER IN THE WHITE HOUSE, by Margaret Truman	1
NONFICTION	
1. SHELLEY, ALSO KNOWN AS SHELLEY, by Shelley Winans	1
2. FREE TO CHOOSE, by Milton Friedman	1
3. LITTLE "GLOIA" HAPPY AT LAST, by Barbara Goldsmith	1
4. THE NEIGHBOR'S WIFE, by Gail Koss	1
5. CRAIG CLAIBORNE'S DIET: GOURMET COOKBOOK, by Craig Claiborne with Peter Frenzy	1
6. THE THIRD WAVE, by John Grisham	1
7. CHINA MEN, by Maureen Hong Kingston	1
8. MEN IN LOVE, by Nancy Friday	1
9. THE MARRIAGE, by Robert M. Coates	1
10. ANATOMY OF AN ILLNESS, by Norman Cousins	1
11. NOTHING DOWN, by Robert Allen	1
12. JIM FOKS SECOND BOOK OF RUNNING, by James F. Fok	1
13. WILL, by G. Gordon Liddy	1
14. HEARTSOUNDS, by Martha Weinman Lear	1
15. DONALD, by Paul Douglas	1

BRIDGE

By Alan Truscott

AN old superstition claims, for no valid reason, that the king of clubs is always bad. It is of course sometimes bad, and was on the diagrammed deal. Several experts played for a singleton king, but not because they were superstitious. If North-South happened to overbid to seven clubs, the declarer would have to finesse the club queen, hoping for an even split with the king on the side. In six clubs, the right play is clear in a team game or in rubber bridge. The club ace must be played, and if an honor does not appear, the next trump lead is made from the South hand. This avoids the loss of two trump tricks whenever this can be avoided.

The right play is slightly less clear in a pair game, in which the declarer would like to make an overtrick, which may be worth several match points. But the safety play of the ace is probably right nevertheless, because six clubs is a desirable contract that may not be reached at all tables.

One of the pairs reached six clubs after a natural auction that included an unusual feature. South's four no-trump bid was not Blackwood, which has limited value once some cue-bids have been made, but a general slam invitation.

West decided to lead a trump, in the hope of cutting down ruffs, but instead of leading the four, which would be normal, he produced a seven, an attempt to be deceptive that he was later to regret.

South judged correctly by putting up the ace in dummy and was gratified when the king fell. He then cashed the spade ace in dummy and ruffed the spade. He led the trump 10 for a finesse that was sure to win, and when it held he played the major suit. One more spade ruff established the last spade in the dummy, and it was easy to pull the winning trump.

The overtrick gave North-South nearly all the match points, and West was left to contemplate the consequences of his tricky lead. If he had led the four, in normal fashion, he would have been able to cover the 10 later with the jack. Then the seven would become a trick when the declarer ruffed two spades in his hand.

Neither side was vulnerable.

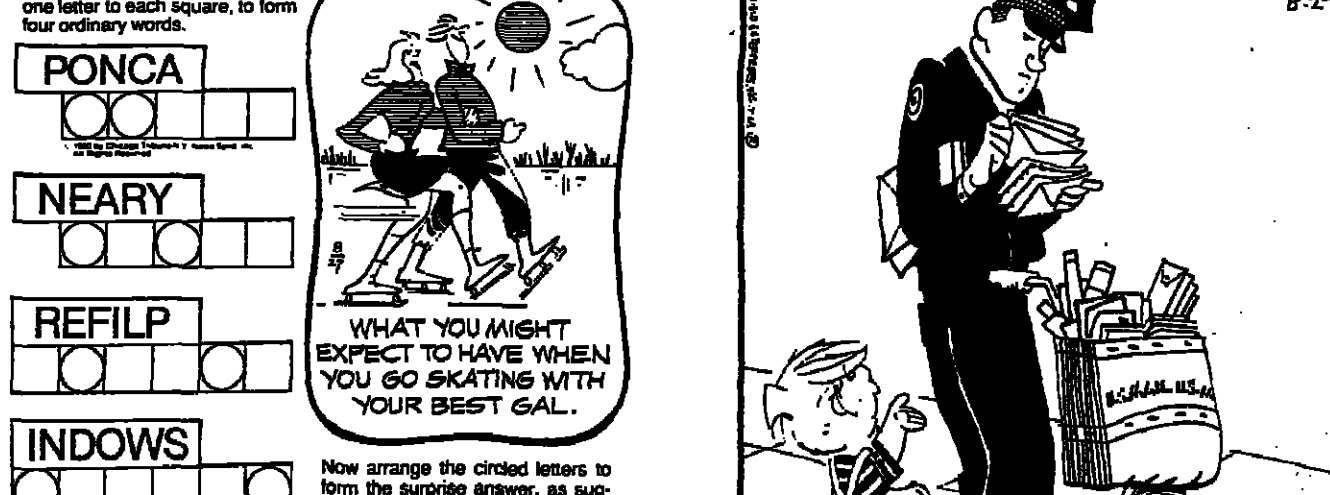
NORTH
♠ AK74
♥ 7
♦ AKQJ
♣ 7

SOUTH
♠ QJ83
♥ QJ2
♦ QJ98
♣ J74

DEAL
West led the 7 of spades.

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Answer here: "P O N C A - N E A R Y - R E F I L P - I N D O W S"

Yesterday's Jumbles: HENNA PIVOT CHOSEN BUNKER
Answer: How the glazier got ahead in his work—HE TOOK "PANES"

DENNIS THE MENACE



Braves Win, 8-6, Over the Pirates

PITTSBURGH, Aug. 26 (UPI) — Dale Murphy drove in four runs with a three-run double and a home run and Chris Chambliss added a two-run homer last night to give Atlanta an 8-6 victory over the Pirates.

The Braves have won 14 of their last 18 games and have taken six of seven games from the Pirates this year.

Murphy's three-run double gave the Braves a 3-0 lead in the first off Jim Bibby (15-4). He added his homer in a four-run sixth that chased Bibby. Chambliss also hit his homer in the sixth.

Expos 3, Giants 1
In Montreal, Warren Cromartie's two-run double capped a three-run fourth and Steve Rogers won his first game since July 16 as the Expos defeated San Francisco, 3-1.

Dodgers 8, Phillies 4
In Philadelphia, Dusty Baker's ninth-inning double scored Dave Lopes with the go-ahead run as Los Angeles defeated the Phillies, 8-4. Los Angeles led the game in the eighth, then won it in the ninth with four runs. In the tying, Phillies reliever Tug McGraw tried to walk pitcher Joe Ferguson intentionally to load the bases and set up a potential double play. But Ferguson leaped across the plate and drove a pitch into right field, scoring two runs. The first three pitches to Bill Russell, the next batter, were well inside; the fourth one hit him. Russell rushed McGraw, but never reached the pitcher — both benches emptying and a near riot ensuing on the field. Russell was ejected from the game, as was Dodger Manager Tom LaSorda for protesting the ejection. McGraw was only warned. Lopes was incensed. "That was bush. There will be a day when McGraw hits and he'll be dead," Lopes said. "He's got his day coming. I don't care if it's eight years from now."

Cardinals 3, Astros 1
In St. Louis, Mike Phillips' RBI double sparked a two-run uprising in the second and led the Cardinals to a 3-1 triumph over Houston, snapping the Astros' victory string at 10 games.

Reds 2, Cubs 0
In Cincinnati, Tom Seaver and Mario Soto combined for a two-hitter as the Reds blanked Chicago, 2-0. Seaver (5-7) surrendered only one hit over 6½ innings in his strongest performance since coming off the disabled list Aug. 4.

A's 9, Yankees 1
In the American League, in Oakland, Calif., Mike Norris pitched a seven-hitter and Rickey Henderson collected four hits to lead the A's to a 9-1 triumph over New York. The crowd of 49,300 was Oakland's largest ever for a regular-season game.

Mariners 10, Orioles 5
In Seattle, Dan Meyer had three hits, including an inside-the-park home run, and drove in two runs to lead the Mariners to a 10-5 victory over Baltimore, breaking the Orioles' eight-game win streak.

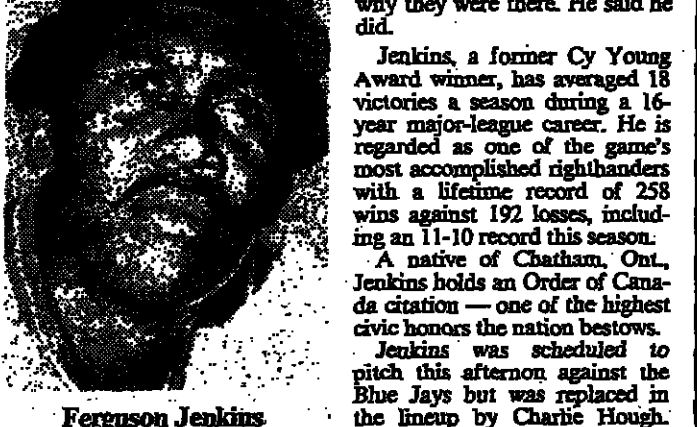
Red Sox 4, Angels 2
In Anaheim, Calif., Jim Rice doubled in two runs with two out in the 11th and Bob Stanley pitched two scoreless innings in relief as Boston defeated the Angels, 4-2.

Indians 4, Twins 3
In Cleveland, Joe Charboneau hit a three-run homer to pace the Indians to a 4-3 victory over Minnesota.

Rangers 5, Blue Jays 1
In Toronto, Ken Clay and John Henry Johnson combined on a four-hitter and John Grubb had three hits, including a home run, as Texas beat the Blue Jays, 5-1.

Royals 9, Brewers 3
In Milwaukee, Clint Hurdle hit a two-run homer and Dan Quisenberry recorded his major-league-leading 30th save, leading Kansas City to a 9-3 triumph over the Brewers.

Cardinals 3, Astros 1
In St. Louis, Mike Phillips' RBI double sparked a two-run uprising



Ferguson Jenkins

Rangers' Jenkins Arrested On Drug-Possession Charge

TORONTO, Aug. 26 (UPI) — Ferguson Jenkins of the Texas Rangers, one of major league baseball's premier pitchers, was arrested at Exhibition Stadium before yesterday's game with the Toronto Blue Jays and charged with three counts of possession of narcotics.

Jenkins, 36, was charged with possession of four grams of cocaine, two ounces of marijuana and two grams of hashish with a total street value of \$500. He appeared in provincial court and was released on his own recognizance. He is scheduled to appear in court tomorrow for a hearing on the charges, which carry a maximum penalty of six months in jail and/or a \$1,000 fine.

Royal Canadian Mounted Police authorities said Jenkins' luggage — which arrived late — was inspected at Toronto International Airport Sunday after the Rangers arrived for a three-game series.

When narcotic officials approached Jenkins at the ballpark yesterday, they identified themselves and asked him if he knew why they were there. He said he did.

Jenkins, a former Cy Young Award winner, has averaged 18 victories a season during a 16-year major-league career. He is regarded as one of the game's most accomplished right-handers with a lifetime record of 258 wins against 192 losses, including an 11-10 record this season.

A native of Chatham, Ont., Jenkins holds an Order of Canada citation — one of the highest civic honors the nation bestows. Jenkins was scheduled to pitch this afternoon against the Blue Jays but was replaced in the lineup by Charlie Hough.

'Bama's Bryant Closing In on All-Time Victory Mark

By Gordon S. White Jr.
This concludes a two-part preview of U.S. college football.

NEW YORK, Aug. 26 (NYT) — In the Southeast, Coach Paul (Bear) Bryant of Alabama spent a week in a hospital last month, undergoing tests. The university and Bryant are not saying much about it other than to admit that he will give up smoking.

One of Bryant's long-time friends and rivals, Johnny Vaught, said: "He'll never give in and retire. He wants that record so much he can taste it."

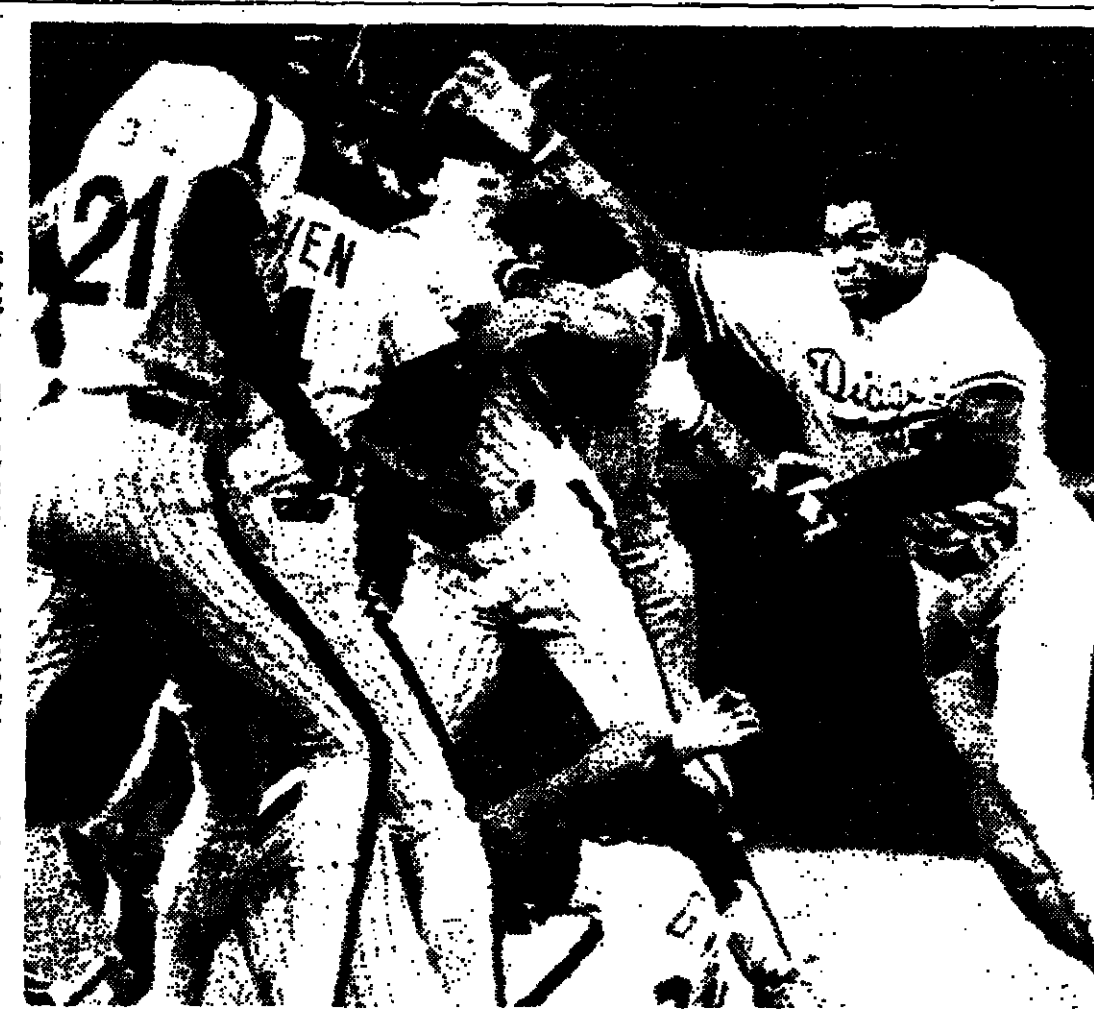
Vaught, the retired Mississippi coach, was referring to the college record for victories of 314 set by Amos Alonzo Stagg. Bryant has 296.

He can get to within six victories of Stagg's record this season — if the Crimson Tide wins all its games and then a bowl contest. Bryant should have the record some time in the 1981 season.

Although Alabama lost most of its offensive line from last year's national championship team, it has players up front who put in more time than those departed starters. There also is Major Ogilvie, one of the best running backs in Alabama's wishbone history.

But Alabama's strength is the defense, and the best defensive players are end E.J. Junior and linebacker Thomas Boyd.

Auburn and Georgia are Alabama's strongest Southeastern Conference rivals, although once again Georgia and Alabama do not meet. The Auburn-Alabama game Nov. 29 may be a real bowl showdown. Auburn's star running back, James Brooks, is as good as any in the South, where there are many premier ball carriers. Tennessee may produce Coach Johnny Majors' best team in four years but not have



Dodgers' Dusty Baker reaches in do battle with the Phillies in a 9th-inning melee Monday night.

Cawley Out of U.S. Open With Injured Back

By Neil Amund
NEW YORK, Aug. 26 (NYT) — Evonne Cawley's hopes of winning her first United States Open singles tennis title were frustrated again yesterday.

The Wimbledon champion informed Bob Howe, the assistant referee, that she would have to withdraw from the tournament, which started today at the National Tennis Center, because of a chronic back injury.

"She's got a problem," Howe said, relating his late-afternoon phone conversation with Cawley from her home in Hilton Head, S.C., which followed a medical examination. "She said she didn't think it was worthwhile to risk it."

Boost for Jaeger
Cawley, 29, pulled out of the \$100,000 Volvo Women's Cup in Mahwah, N.J., last week in hopes that additional rest would allow her to compete in the open, the only major championship she has never won. She was runner-up four times between 1973 and 1976 and lost to

Chris Evert Lloyd in the quarterfinals last year.

Her withdrawal is likely to enhance Andrea Jaeger's chances of reaching the semifinals of the \$654,082 tournament, the world's richest. Jaeger, 15, was in Cawley's quarter of the draw; her most difficult match en route to the semis now appears to be against Betty Stove in the round of 16, or against Ivanna Madruga in the quarterfinals.

Bjorn Borg, the Wimbledon men's champion, remains an unknown quantity in pursuit of his first open crown. Top-seeded in the 128-player draw, Borg was to face Guillermo Anzures of Argentina in the second match on the grandstand court today. But his plan for continuing on the road to a grand-slam sweep of the French, Wimbledon, U.S. and Australian titles will depend on how a tender knee holds up under the strain of hot weather, hard asphalt courts and the three-of-five-set format.

Borg rested for several days last week after having defaulted in the Canadian Open final to Ivan Lendl of Czechoslovakia in the second set. He resumed workouts during the

weekend with Vitas Gerulaitis and told friends he felt no pain in the knee.

"It's the type of situation that depends on how he can tolerate the pain," said Dr. Irving Glick, the tournament physician who has been monitoring Borg's medical status since his arrival here. "As far as we know, there have been no complaints yet."

3 Hours a Day
Lennart Bergelin, Borg's coach, said last night that the five-time Wimbledon champ had practiced three hours a day, in 90-minute morning and afternoon sessions, for the last four days.

"He had no trouble with the knee," Bergelin said. "I hope it will continue. You never know what happens when you start with pressure."

Bergelin said Borg's problem had been so tenuous that he could not touch his right knee without feeling pain. Asked whether he had encountered such difficulties from the practice sessions with Gerulaitis, Bergelin replied, "So far, nothing yet."

Fitness is likely to play a major

Major League Standings

AMERICAN LEAGUE	W	L	Pct.	GB
New York Yankees	75	49	.603	—
Baltimore Orioles	71	53	.570	4 1/2
Boston Red Sox	65	59	.523	8 1/2
Milwaukee Brewers	61	63	.492	12 1/2
Texas Rangers	57	67	.458	16 1/2
Cleveland Indians	54	70	.435	19 1/2
Toronto Blue Jays	51	73	.410	22 1/2

NATIONAL LEAGUE	W	L	Pct.	GB
Pittsburgh Pirates	70	54	.562	—
Los Angeles Dodgers	68	56	.548	2 1/2
Philadelphia Phillies	61	63	.492	10 1/2
San Francisco Giants	57	67	.458	14 1/2
St. Louis Cardinals	54	70	.435	17 1/2
Chicago Cubs	49	75	.395	22 1/2

AMERICAN LEAGUE	W	L	Pct.	GB
Seattle Mariners	71	53	.570	—
San Diego Padres	68	56	.548	2 1/2
Los Angeles Angels	61	63	.492	10 1/2
Minnesota Twins	57	67	.458	14 1/2
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The Soccer Scene

Of Hearts and Homelands

By Rob Hughes
LONDON, Aug. 26 (IHT) — The home instinct persists in man. The pope, his feet in Rome and his spirit in troubled Poland, is obvious example that fame and position in another land fall short of ultimate fulfillment.

So it is in soccer, where the advancing tide of international transfers is stemmed slightly but significantly by the return of European footballers-of-the-year Kevin Keegan to England and Franz Beckenbauer, the most celebrated German player, back to the fatherland.

A Young 29
Keegan's homecoming was the more predictable. He had never suggested his stay in West Germany would be permanent; he lingered long enough to conquer challenges new and to reap fame and fortune beyond his reach in Britain. He returns, at 29, with something left of his youth.

True, England was not the first port in his sights after Hamburg, but in the final reckoning Southampton offered a more settled home for his wife and German-born baby daughter than did Barcelona or Milan. Ironically, it does not of anything like the traditional soccer background of his childhood

in Yorkshire or his springboard to honors in Liverpool.

While Keegan finds his feet — he admits the frenzied pace of English soccer has surprised him afresh — two things are already clear: Southampton surrounds him with a team far more capable than he could have expected, and the old flow of adrenalin between player and terrace fan excites him still.

Something Stirring
Up in Sunderland last weekend, in the Northeast where passions for the game are awakening, Keegan was visibly stirred by the sight of men and boys queuing almost back to the docks and raising the roof with their famous "rocker" roar.

Although Keegan himself was somewhat by-passed in the helterskelter on the pitch, his team won convincingly and afterwards his feet scarcely touched the ground as he was whisked on the public relations rounds of TV, press, hospital broadcasts and autograph-hunters.

Beckenbauer's return from New York to fill Keegan's crowd-pulling boots in Hamburg holds even more profound message — not least for the game's future in the United States. Cosmos is of course preparing for the North American soccer league play-offs, but anticipation of that is dulled by the condemnation of U.S. standards in Kaiser Franz's departing words:

"Obviously I'm not going back to Germany for the money," he said. "The move to Hamburg simply means I can get away from the U.S.A. and back to my home country to play some more real football... not like U.S. soccer."

A Couple of Facts
Now it is a fact that when Der Kaiser joined the Cosmos for \$2 million in 1977, money was not the prime reason that he appeared there to be foreshadowing his illustrious career. He had amassed a record 103 West German international appearances and it was made plain that his country needed him for the next World Cup.

It is fact, too, that he had personal reasons for going to New York. His private life had no room to breathe in Munich.

He had privately said time and again that one of his greatest releases was to walk the streets around his elegant Manhattan apartment and be unrecognized, or at least go unmolested.

Back in Germany, the public prying began anew — the critical analysis of his movement on the field, the goldfish-bowl existence of his home life. "I know," he admits. "These doubts about whether I'll be able to have any private life in Germany were the main reason I took time to make up my mind."

More than that, Pele had advised him against risking the indelible memories of his generalship in Europe. After all, Beckenbauer will be 35 next month. He will be competing against ambitious younger men in the highest technical league in the world.

"OK — From Scratch"
"I realize it is going to be a difficult phase," he concedes. "OK," it means starting from scratch, changing my rhythm completely.

"Life had been comfortable with

Corrigan saved Manchester's first-division status last season. Today he became the first man to be punished since British players were granted "reasonable" freedom of speech... and by a manager who promised to open up his dressing room to the media. The manager, having second thoughts, lifted his suspension and instead fined his goalkeeper two weeks' wages.

Clive Allen, the teenager bought and sold by Arsenal for £1 million within 62 days, scored three goals for his new club, Crystal Palace, last weekend. Arsenal, meanwhile, was beaten by 3-1 at Coventry.

Malcolm Allison, whose tribulations were featured here two weeks ago, began the season 0-1, 0-4 and 2-2 with Manchester City. His international goalkeeper and recent captain, Joe Corrigan, had received an aborted two-week suspension for broadcasting his opinion that "Malcolm got it wrong, getting rid of seven international players in two or three months. You can't change a team to win overnight and expect them to win a trophy in a year..."

Freedom, Clipper Remain

Turner Dismissed From Trials

By William N. Wallace
NEWPORT, R.I., Aug. 26 (NYT) — Ted Turner's association with

Observer

Televiso Ergo Sum

By Russell Baker

NEW YORK — When Harley Hatchfield died the other day, the obituary writers all said he was a failure. I prefer to think of him as a dreamer in the finest American tradition. Though none of his dreams was realized, he never abandoned dreaming for the sour despair and self-pity into which lesser spirits withdrew.

Harley was already well along in years when he died. He was still dreaming of a doorway and said, "Do you have any balloons on you?" At the time I always carried two or three balloons, so to have a little something to brighten the life of any old man who might accost me.

Harley was delighted. Introducing himself, he invited me into his home to see what he called his "million-dollar idea," a scheme to capture carbon dioxide from soft drink bottles by fitting balloons over the bottle openings.

It was doomed to failure, of course, since the cost of buying the soft drink caps far exceeded the price anyone was willing to pay for balloons filled with recycled carbon dioxide. But Harley was not discouraged. He immediately announced plans for scaling Mount Everest and erecting a television transmission antenna on the peak.

This scheme, he thought, would earn him a fortune by enabling him to sell Chinese TV shows on the Indian subcontinent. It failed when he arrived at Katmandu to find that not a single hardware store in town could provide the antenna parts.

The obituaries have recorded most of Harley's more spectacular failures, such as the failure to invent a machine that could throw dinner party guests out of the house at 1 a.m. What they did not record was the good humor with which Harley accepted these setbacks. I remember the time he invented a brussels-sprouts-eating machine. This device could be taken out of the pocket during dinners at which brussels sprouts were served, placed beside

the plate and given the thankless task of consuming the sprouts.

During tests, the machine ate the brussels sprouts with zest, but two minutes later it began emitting loud metallic belches. Harley knew that this would make it machine non grata at hostesses' tables, and rather than hurt their feelings he cheerfully destroyed the blueprints.

His final years were devoted to schemes for getting himself televised. He had observed that with the aging of the present century, an appearance on television had become the only persuasive evidence of an individual's existence.

"In Descartes' time," he told me, "a person could say, 'I think, therefore I am.' In our age anybody who thinks can only conclude that he is not, unless masses of people can see him on television and tell him yes, he is too."

This reasoning had led Harley to doubt his own existence. "All the evidence of my life indicates I am nonexistent," he said. "For example, can anyone who has invented a brussels-sprouts-eating machine that belches really exist?"

Harley began dreaming of ways to get television to certify his existence. Study of the local news programs led him to conclude that the most certain way would be to arrange to have his wife and five children destroyed in a dreadful fire. In this event, he was fairly certain, the local stations would televise him looking distraught while a reporter asked, "How does it feel having your wife and five children burned to death here today?"

The difficulty was that Harley, being unmarried, did not have the essential wife and children. This led to his last big project: the development of a wife and five children constructed out of balsa wood, horse hair and ball bearings. When he finished them, however, he had become so fond of having them around and helping the children with their homework that he hadn't the heart to put them to the torch.

It was not until his death that the television cameras finally came. Attracted by the human interest angle of six old wood carvings mourning their loved one, the cameras finally granted existence to Harley, who no longer existed.

By Tony Komheiser

WASHINGTON (WP) — After three days of negotiations, Barry Manilow's people said he would be available on Friday, at 2, for what was said to be his first print interview in four years. Manilow's people wanted to make sure that whoever did the interview would not be looking to kill Barry in the story. The reporter would get one hour with Manilow absolutely no more. There were to be no photographs. When Manilow's people were convinced they had it all covered, they made the delivery. There were two soft drinks, one dark and one light, waiting in the hotel suite, and there was a uniformed guard in the hall outside the door.

Manilow enters on cat's feet. He is nearly six feet tall, and thin. He wears blue jeans, a white polo shirt with a horizontal red stripe, white socks, and white shoes with orange plastic heels. His strawberry-blond hair nearly matches the deep tan of his arms. He introduces himself with a handshake and a smile, moves to his special chair, comments about how hot it is outside and takes off his red sunglasses.

"Ask me anything you want." For 75 minutes he knows nothing of the one-hour rule or the no-photographs rule and laughs at the don't-kill rule — he answers questions thoughtfully and sensitively in a Noy Yawf ac-



"God, I'd hate to fail."

Barry Manilow

The Master of the Sentimental Ballad
Says He's 'Hipper Than They Think'

cent as thick as a slab of cream cheese on an onion bagel, and not once is he anything but pleasant and affable. He smiles often, makes self-deprecating jokes. "Engaging" doesn't go far enough. His gift for disarmament belongs to a negotiating table.

Audiences have always been kinder to Manilow than critics. Despite many up-beat tunes such as "Avenue C" and "Copacabana," a trademark, the sentimental ballad, has made him the closest thing to instant Muzak in pop. But his records sell in the millions, and taken one by one they are compelling. His four television specials have been highly rated. At 34, Manilow is first team.

Wayne Robins, the pop music critic of Newsday, has said, "No matter how negative you feel going into a Manilow concert, he can win you over. He's an amazingly uplifting performer."

"I'm Not That Square"

Manilow on Barry Manilow: "Sometimes I wish more people would know that I'm not that square. That I'm hipper than they think. My musical tastes are much more sophisticated than I get credit for."

On risks: "I love to take 'em. What's the risk without risks? But I'm not gonna let this thing just so the critics'll like me."

On his albums: "I really like the records I make. They're great records. I hear 'em on the radio and I say, 'Awright, that sounds good. That sounds like someone put a lot of work into it.'"

On Manilow again: "I'm not a great singer. I'm not Caruso. These reviewers think they're insulting me by saying I don't sing that well. I know I don't. . . . What I do is, I arrange, I compose, I perform. I entertain."

On critics: "They just don't like what I represent. I honestly think they can't write good things about me because they're afraid they'll come off looking uncool. This is the beginning of my tour, and by the end of it I'll show you 7 million bad reviews. That's what's supposed to happen this year. Now it's 'Yaaaahhh, get him, kill him.' Next year, after I'm meat-balled on the ground — splat! — they'll say, 'He wasn't that bad.'"

Jazz and Broadway are in every album Manilow makes. From age 13 to 18 he OD'd on jazz and Broadway. He made the trip from Brooklyn to Manhattan almost nightly. He was never a child of rock. He was so much more sophisticated than four chords and set your bass on fire.

He has spent hours and days analyzing a Stephen Sondheim score, analyzing a Bill Evans piano line. All through high school he was playing piano, arranging, composing. He enrolled at City College in advertising, got a job delivering mail at CBS, to people like Frank Stanton and Fred Silverman. "I was gonna end up like those guys. But it was like trying to fit a square peg into a round hole. I just didn't fit."

City was boring. CBS was the wrong fit. "I had the music in me."

On the night he was to enroll for his sophomore year at City he opted to take the entrance exam for the New York College of Music. He got in, attended classes, then went to Juillard. At 21 he was still hedging between what he wanted to do and what he was expected to do. He was married. He thought they might move to Long Island, buy a house, have babies.

"I wanted a career in music, but I never thought I'd make it happen. It was just too risky. Coming where I come from, you didn't take risks."

The hell with it. He got divorced. He quit CBS. He took the risk. There were days and nights on the road playing "the Holiday Inn circuit," club dates, astounding — though anonymous — success writing and arranging commercial jingles and then on the road as Bette Midler's arranger.

From Miss M to "Mandy," to "Could It Be Magic," to "I Write the Songs," Barry Manilow is a bankable act. An audience of 7 to 75. A gold mine.

He knows he makes great records.

"But I'd much rather make a Marvin Gaye record."

God, how he loves Marvin Gaye, how he loves R&B.

If he only sounded like Marvin Gaye.

"I can't do it. I try. I really try. I sound like an idiot when I do it." A medallion comes down in the overture to his show, a buffalo-head nickel bearing his profile that cost \$28,000 and lights up to signal his entrance. It is too much. He must know.

"Yeah, it gets me a little nervous. It was supposed to be a caricature, a logo. . . . As soon as I saw it I knew it wasn't right. I never expected it to be my real face. I said, first person who puts it down, I'm gonna dump it. But the amazing thing is that the audiences love it. I come out on stage, point to it and say, 'Is this hot — or what?' I mean, I really don't want anyone to think I'm serious about it."

Where he comes from, you don't take risks. He loves risks. So what's he supposed to do?

Like the medallion. If anybody comes down on it, he'll dump it. Like the singles. Shouldn't be releasing something totally jazzed and risk failure.

"God, I'd hate to fail."

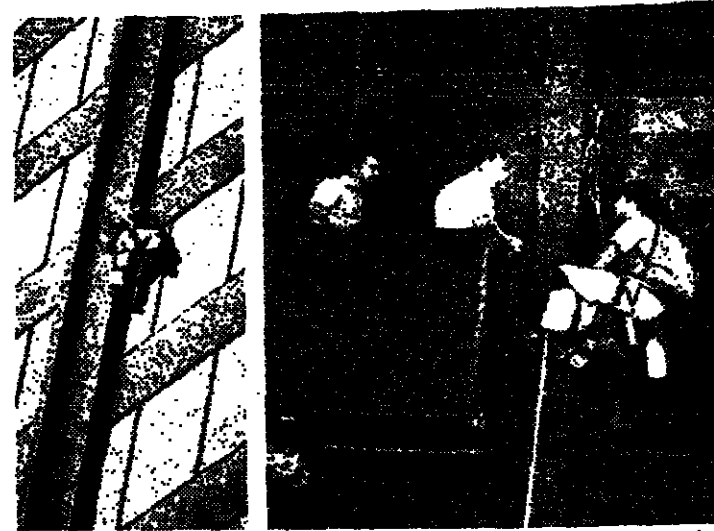
Almost an hour after the interview was over, Manilow sent one of his assistants after the reporter. "Can you come this way?" the assistant asked. The reporter was again led past the guard and into the suite and left alone.

Second Thoughts

In a moment, Manilow came in. No handshake, no smile, no soft drinks. This time there was anger. "I've been thinking about your interview for the last 20 minutes. I'm really bothered by the tone of it. All you did was come in here and ask me negative questions. You had me defend myself. You had me apologizing for my career."

"Do I think all my songs are the same? Do I overdo it? Who don't I like? Now what kind of questions are those? You don't like my nickel. You don't like my television special. It was all negative. It wasn't at all a celebration of the kind of performer I am — how hard I work, how much I give. It gives me a bad taste in my mouth. You're just looking for controversy. You asked me why I don't give interviews. This is why."

Before he walked out the door, he put his hand on the reporter's right shoulder and said, "Do me a favor and don't see my show."



James McLaughlin, 26, of Woodbury, Conn., attempts to climb to the top of the world's tallest building, the 110-story Sears Tower in Chicago. Firemen lowered two scaffolds, one of which blocked McLaughlin's path at the 18th floor. Fire officials told McLaughlin to stop his climb and he eventually got into a scaffold. He was released on \$1,000 bond after Sears, Roebuck and Co. pressed charges of damage to property against him.

PEOPLE: Puts Fallin on Road

Sweden's premier, Thorbjörn Fälthén, had to hitchhike to arrive in time for a special session of the Swedish parliament. Fallin, head of Sweden's three-party coalition government, was one of thousands of Swedish travelers and commuters delayed by clearance work after a train accident north of Stockholm in which nine persons were killed.

The train carrying Fallin had to stop north of Stockholm because of repairs on the damaged line. The premier left the train and managed to get a ride with a motorist en route to Stockholm, press reports said.

David and Julie Nixon Eisenhower are expecting their second child in October, a family spokesman confirmed.

Gianina Facio, the jet-setting daughter of a former foreign minister of Costa Rica, is quoted as saying that she is having an affair with Prince Juan Carlos, estranged husband of Princess Caroline of Monaco. But she also denies that she is Juan Carlos' secretary. "I don't even know how to type," she was quoted as telling Agence France-Presse. Facio, 24, was seen with Juan in Tur-

Judith Krantz's big-money novel, "Princess Daisy," for which Bantam paid a record advance of \$3.2 million for the paperback rights, has been banned in Singapore by the Ministry of Culture's Undersecretary Publications Bureau, just as Krantz's first novel, "Scorpions," was a year ago. Bantam dropped its plans to market 7,000 to 10,000 copies there. The penalty for possessing the book in Singapore, as much as a year in jail and a \$1,000 fine.

Douglas Conrad, 21, a Case Western Reserve University student from Toledo, Ohio, gave up his effort to swim 55 miles across Lake Erie nine miles short of the Canadian shore and was taken aboard a support boat after being in the water more than 24 hours. Conrad and seven other swimmers began the effort from Cleveland's Edgewater State Park. All the swimmers except Conrad gave up earlier.

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